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MYSORE GAZETTE

FROM JANUARY TO JUNE 1938.

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Regd. No. M.—1175.

The Mysore Gazette

EXTRAORDINARY.

PUBLISHED BY AUTHORITY.

BANGALORE, MONDAY, JANUARY 3, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION

No. 2881—*L. C., Bangalore, dated 3rd January* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Village Panchayet Act, 1926, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

BILL FURTHER TO AMEND THE MYSORE VILLAGE PANCHAYET ACT, 1926.

Whereas it is expedient further to amend the Mysore Village Panchayet Act, 1926; It is hereby enacted as follows :—

1. This Act may be called the Mysore Village Panchayet (Amendment) Act, 1938.

2. For Section 36, the following section shall be substituted :—

"36. (1) In every Panchayet, the Amildar shall impose, in the manner prescribed, a tax on all houses, shops or places of trade or business, vacant sites, hittals, and carts in the village or villages within its jurisdiction.

(2) The rates of such taxes shall be determined by the Panchayet and shall not exceed the maxima that may be prescribed.

(3) It shall be competent to the Amildar to make provisions for exemptions in favour of individuals or a class of individuals, subject to such rules as may be prescribed in this behalf."

3. In Sub-section (1) of Section 37, for the word "levy", the word "impose" shall be substituted; and in the proviso to that sub-section, for the word "levy", the word "imposition" shall be substituted."

4. For Section 40, the following section shall be substituted :—

"40 (1) The amount of taxes, fees or other dues shall be paid in such manner as may be prescribed, and in case of default of such payment, shall be recovered by the Amildar as an arrear of land revenue.

(2) Nothing herein contained shall preclude the institution by the Amildar of a suit for any amount due under this Act.

(3) No proceedings shall be taken under Sub-section (1) more than six years after the amount became due."

Statement of objects and reasons.

Before the introduction of the Village Panchayet Act, the Revenue Officers were assessing and collecting the Mohatarfa taxes and crediting them to the funds of the District Boards. With the introduction of the Village Panchayet Act from 1st February 1927, these taxes were replaced by the Panchayet taxes and the duty of assessing and collecting them devolved on the Panchayets. But experience has shown that this duty is not attended to properly by the Chairmen of Village Panchayets. In the interests of prompt collection of Village Panchayet taxes, it is considered necessary to revert to the old system of the Amildars assessing and collecting the taxes, subject to the rules framed in this behalf. The amendment is intended to give effect to this change in system.

2. Consequent on the duty of the assessment and collection of the Village Panchayet taxes devolving on the Amildar, provision is made to recover the Village Panchayet taxes due from the defaulters as arrears of land revenue.

3. The period of limitation for the recovery of the Village Panchayet dues by revenue process at present is only three years. For arrears beyond this period, the recovery can only be by civil suits. But recovery by revenue process is more advantageous and convenient than through the civil suits. It is, therefore, proposed to enhance the period for the recovery of the dues by revenue process from three to six years, as in the case of the recovery of rent or land revenue due to Inamdars from tenants in Inam Villages under Government management.

Printed by the Superintendent at the Government Press, Bangalore.

Order No. P. 4651 *Legis.* 22-37-1, *dated Bangalore,* 10*th February* 1938.

Ordered that the accompanying Code of Civil Procedure (Amendment) Act of 1938 which received the assent of His Highness the Maharaja, on the fourth day of February 1938, be published as Act No. IX of 1938 in the *Mysore Gazette,* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT IX OF 1938.

(Received the assent of His Highness the Maharaja on the fourth day of February 1938.)

An Act further to Amend the Code of Civil Procedure, 1911.

Whereas it is expedient further to amend the Code of Civil Procedure, 1911, for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short Title

1. (*a*) This Act may be called the Code of Civil Procedure (Amendment) Act of 1938.

(*b*) It shall extend throughout the State of Mysore.

(*c*) It shall come into force from first July 1938.

Addition of Proviso to section 51.

2. To section 51 of the Code of Civil Procedure, 1911 (hereinafter referred to as the said Code), the following proviso shall be added, namely:—

"Provided that where the decree is for the payment of money, execution by detention in prison shall not be ordered unless, after giving the judgment-debtor an opportunity for showing cause why he should not be committed to prison, the Court for reasons recorded in writing, is satisfied—

(*a*) that the judgment-debtor, with the object or effect of obstructing or delaying the execution of the decree,—

(i) is likely to abscond or leave the local limits of the jurisdiction of the Court, or

(ii) has, after the institution of the suit in which the decree was passed, dishonestly transferred, concealed or removed any part of his property, or committed any other act of bad faith in relation to his property; or

(*b*) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same; or

(*c*) that the decree is for a sum for which the judgment-debtor was bound in a fiduciary capacity to account.

Explanation.—In the calculation of the means of the judgment-debtor for the purposes of clause (*b*), there shall be left out of account any property which, by or under any law or custom having the force of law for the time being in force, is exempt from attachment in execution of the decree.

MIRZA M. ISMAIL,
Dewan.

Price 0-0-3.

Order No. P. 4651 *Legis.* 22-37-1, *dated Bangalore*, 10*th February* 1938.

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(ii) has, after the institution of the suit in which the decree was passed, dishonestly transferred, concealed or removed any part of his property, or committed any other act of bad faith in relation to his property; or

(*b*) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same; or

(*c*) that the decree is for a sum for which the judgment-debtor was bound in a fiduciary capacity to account.

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MIRZA M. ISMAIL,
Dewan.

Price 0-0-8.

Order No. P. 4651 Legis. 22-37-1, dated Bangalore, 10th February 1938.

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(ii) has, after the institution of the suit in which the decree was passed, dishonestly transferred, concealed or removed any part of his property, or committed any other act of bad faith in relation to his property; or

(*b*) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same; or

(*c*) that the decree is for a sum for which the judgment-debtor was bound in a fiduciary capacity to account.

Explanation.—In the calculation of the means of the judgment-debtor for the purposes of clause (*b*), there shall be left out of account any property which, by or under any law or custom having the force of law for the time being in force, is exempt from attachment in execution of the decree.

MIRZA M. ISMAIL,
Dewan.

Price 0-0-8.

ACT II OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938.)

An Act to amend the Mysore Town Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Act, 1933; It is hereby enacted as follows:—

After section 208 of the Act, the following shall be inserted, namely:—

"208-A (1) Notwithstanding anything contained in this Act, the Government shall have power to transfer any officer or servant of a Municipality to the service of any other Municipality or of any District Board constituted under the Mysore District Boards Act, 1926, or of any Government Department.

(2) The Government shall have power to issue such general or special directions as it thinks necessary for the purpose of giving due effect to transfers made under sub-section (1)."

MIRZA M. ISMAIL,
Dewan.

Price 0–0–3.

Order No. P. 4628—Legis. 19-37-1, dated Bangalore, 9th February 1938.

Ordered that the accompanying Acts to amend the Mysore City Municipalities Act, 1933 and the Mysore Town Municipalities Act, 1933, which received the assent of His Highness the Maharaja on the third day of February 1938, be published as Acts. No. I and No. II of 1938, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT I OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938).

An Act to amend the Mysore City Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Act, 1933; It is hereby enacted as follows:—

The following shall be inserted as sections 232-A and 232-B, namely:—

"232-A. (1) Notwithstanding anything contained in this Act, the Government shall have power to transfer any officer or servant of a Municipality to the service of any other Municipality or of any District Board constituted under the Mysore District Boards Act, 1926, or of any Government Department.

(2) The Government shall have power to issue such general or special directions as it may think necessary for the purpose of giving due effect to transfers made under sub-section (1).

232-B. The Government may delegate all or any of its powers under this Act to any officer subordinate to it."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4653—Legis. 21-37-1, dated Bangalore, 10th February 1938.

Ordered that the accompanying Acts to amend the Mysore City Municipalities Act, 1933, and the Town Municipalities Act, 1933, which received the assent of His Highness the Maharaja on the third day of February 1938, be published as Acts No. III and No. IV of 1938, in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT III OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938.)

An Act to Amend the Mysore City Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Act, 1933; It is hereby enacted as follows :—

1. After section 234 of the Act, the following section shall be inserted, namely :—

"234-A. Notwithstanding anything contained in this Act—

(*a*) the Government may, by notification, take power to appoint the Chief Officer, the Health Officer or the Engineer in the case of any Municipal Council ;

(*b*) the Government may, at any time, withdraw any such Chief Officer, Health Officer or Engineer and appoint another in his place ; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of Chief Officers, Health Officers and Engineers appointed under clause (*a*).

"234-B. So long as a notification under clause (*a*) of section 234-A is in force, the Municipal Council in respect of which such notification is made, shall cease to

exercise the powers of appointment under sections 233 and 234 of this Act."

MIRZA M. ISMAIL,
Dewan.

ACT IV OF 1938.

(Received the assent of His Highness the Maharaja on the third day of February 1938.)

An Act to Amend the Mysore Town Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Act, 1933; It is hereby enacted as follows :—

1. After section 209 of the Act, the following shall be inserted, namely :—

"209-A. Notwithstanding anything contained in this Act—

(*a*) the Government may, by notification, take power to appoint the Chief Officer in the case of any Municipal Council ;

(*b*) the Government may, at any time, withdraw any such Chief Officer and appoint another in his place ; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of Chief Officers appointed under clause (*a*).

"209-B. So long as a notification under clause (*a*) of section 209-A is in force, the Municipal Council in respect of which such notification is made, shall cease to exercise the power of appointment under section 209 of this Act."

MIRZA M. ISMAIL,
Dewan.

Price 0-0-3.

exercise the powers of appointment under sections 233 and 234 of this Act."

MIRZA M. ISMAIL,
Dewan.

ACT IV OF 1938.

(Received the assent of His Highness the Maharaja on the third day of February 1938.)

An Act to Amend the Mysore Town Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Act, 1933; It is hereby enacted as follows :—

1. After section 209 of the Act, the following shall be inserted, namely :—

"209-A. Notwithstanding anything contained in this Act—

(*a*) the Government may, by notification, take power to appoint the Chief Officer in the case of any Municipal Council ;

(*b*) the Government may, at any time, withdraw any such Chief Officer and appoint another in his place ; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of Chief Officers appointed under clause (*a*).

"209-B. So long as a notification under clause (*a*) of section 209-A is in force, the Municipal Council in respect of which such notification is made, shall cease to exercise the power of appointment under section 209 of this Act."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4653—Legis. 21-37-1, dated Bangalore, 10th February 1938.

Ordered that the accompanying Acts to amend the Mysore City Municipalities Act, 1933, and the Town Municipalities Act, 1933, which received the assent of His Highness the Maharaja on the third day of February 1938, be published as Acts No. III and No. IV of 1938, in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT III OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938.)

An Act to Amend the Mysore City Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Act, 1933; It is hereby enacted as follows :—

1. After section 234 of the Act, the following section shall be inserted, namely :—

"234-A. Notwithstanding anything contained in this Act—

(*a*) the Government may, by notification, take power to appoint the Chief Officer, the Health Officer or the Engineer in the case of any Municipal Council ;

(*b*) the Government may, at any time, withdraw any such Chief Officer, Health Officer or Engineer and appoint another in his place ; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of Chief Officers, Health Officers and Engineers appointed under clause (*a*).

"234-B. So long as a notification under clause (*a*) of section 234-A is in force, the Municipal Council in respect of which such notification is made, shall cease to

Regd. No. M.—1175.

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The Mysore Gazette

EXTRAORDINARY.

PUBLISHED BY AUTHORITY.

BANGALORE, WEDNESDAY, MAY 25, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. 3757—L. C., Bangalore, dated 19th May 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to remove all Legal Obstacles to the marriage of Hindu Widows in the Mysore State is published for general information.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Report of the Select Committee on the Bill to remove all Legal Obstacles to the Marriage of Hindu Widows.

We, the members of the Select Committee appointed to consider the Hindu Widows Marriage Bill have considered the Bill and have now the honour to submit this our report.—

Preamble.—As the main object of the measure is to remove the legal obstacles to the re-marriage of such Hindu Widows as wish to re-marry and to hold offsprings of such marriages legitimate, we consider the words "good morals and to the" as unnecessary and we accordingly recommend that they may be omitted.

Clause 1.—The Act may come into operation at the expiration of one month from the date of its publication.

Clause 4.—This clause as it is at present worded is vague and defective. There is no such thing as "guardian in marriage" recognised under Hindu law. The clause does not also effectively protect the interest of minor widows who may be enticed to marry by persons not expected to safeguard her interests. We recommend that instead of this clause the following clause which is substantially the same as section 7 of the British Indian Act, be substituted.—

Consent to re-marriage of minor widow.

"If the widow re-marrying is a minor whose marriage has not been consummated, she shall not re-marry without the consent of her father, or if she has no father, of her paternal grandfather, or if she has no such grandfather, of her mother, or failing all these, of her elder brother, or failing also brothers, of her next male relative."

Punishment for abetting marriage made contrary to this section.

"All persons knowingly abetting a marriage made contrary to the provisions of this section shall be liable to imprisonment for any term not exceeding one year or to fine or to both."

Effect of such marriage proviso.

"And all marriages made contrary to the provisions of this section may be declared void by a Court of law: Provided, that in any question regarding the validity of a marriage made contrary to the provisions of this section, such consent as is aforesaid shall be presumed until the contrary is proved, and that no such marriage shall be declared void after it has been consummated."

"In the case of a widow who is of full age, or whose marriage has been consummated, her own consent shall be sufficient consent to constitute her re-marriage lawful and valid."

Consent to re-marriage of major widow.

Clause 6.—A distinction is made in this clause between property inherited by a widow from her deceased husband and property got by her by gift or testamentary disposition. In the former case her rights cease on re-marriage while in the latter she is given an absolute estate unless there is an express prohibition to re-marry. We see no justification for such a distinction. On her re-marriage she must be considered to be civilly dead and she must forfeit all her rights in the property of her husband by whatever means obtained. The widow being civilly dead in respect of her rights to the property of her deceased husband, she cannot claim it even in the absence of next heirs of her deceased husband as provided for in the exception.

We recommend that the following clause which is comprehensive may be substituted for the present clause 6.—

"All rights and interests which any widow may have in her deceased husband's property by way of maintenance, or by inheritance to her husband or to his lineal successors, or by virtue of any will or testamentary disposition conferring upon her, without express permission to re-marry, only a limited interest in such property, with no power of alienating the same, shall upon her re-marriage cease and determine as if she had then died; and the next heirs of her deceased husband, or other persons entitled to the property on her death, shall thereupon succeed to the same."

Rights of widow in deceased husband's property to cease on her re-marriage.

Clause 7.—This clause also is not worded clearly. The object is to see that the interests of the children by the first marriage are safeguarded. The second proviso is also unnecessary as the question of appointment of a guardian by the Court arises only when the widow has not been expressly constituted guardian by will. We recommend that the following be substituted for this clause.—

"On the re-marriage of a Hindu widow, if neither the widow nor any other person has been expressly constituted by the will or testamentary disposition of the deceased husband the

Guardian of children of deceased husband on the re-marriage of his widow.

guardian of his children, the father or paternal grandfather or the mother or paternal grandmother, of the deceased husband, or any male relative of the deceased husband, may petition the highest Court having original jurisdiction in civil cases in the place where the deceased husband was domiciled at the time of his death for the appointment of some proper person to be guardian of the said children, and thereupon it shall be lawful for the said Court, if it shall think fit, to appoint such guardian, who when appointed shall be entitled to have the care and custody of the said children, or of any of them during their minority, in the place of their mother; and in making such appointment the Court shall be guided, so far as may be by the laws and the rules in force touching the guardianship of children who have neither father nor mother:"

"Provided that when the said children have not property of their own sufficient for their support and proper education whilst minors, no such appointment shall be made otherwise than with the consent of the mother unless the proposed guardian shall have given security for the support and proper education of the children whilst minors."

As the bill has been amended in material particulars, we recommend that it may be republished as amended by us.

S. P. RAJAGOPALACHARI
(Chairman).

A. V. RAMANATHAN.

K. R. SUBBANNACHAR.

MIRLE N. LAKSHMINARANAPPA.

T. RAMACHANDRA.

B. T. KESAVIENGAR.

Messrs. M. S. Dyave Gowda and Belur Srinivasiengar were unable to be present at the meeting.

[*Portions omitted are enclosed in square brackets and additions are indicated in italics.*]

Bill to Remove all Legal Obstacles to the Marriage of Hindu Widows in the Mysore State.

(AS AMENDED BY THE SELECT COMMITTEE)

Whereas the removal of all legal obstacles to the marriage of Hindu Widows in the State will tend to the promotion of [good morals and to the] public welfare and whereas it is just to hold offsprings of such marriages as legitimate ; It is hereby enacted as follows ;—

Short title, extent and commencement.

1. (*i*) The Act may be called "The Mysore Hindu Widows Marriage Act, 1938."

(*ii*) It shall extend to the whole of the territories of Mysore.

(*iii*) It shall come into operation at the expiration of [six] *one* month[s] from the date of its publication in the official Gazette.

Marriage of Hindu Widows legalised.

2. Notwithstanding any custom and any interpretation of Hindu Law to the contrary, no marriage contracted between Hindus shall be invalid, and no issue of such marriage shall be illegitimate, by reason of the woman having been previously married or betrothed to another person who was dead at the time of such marriage, provided that the parties must not be related to each other in any degree of consanguinity or affinity which would under Hindu Law render a marriage illegal.

Ceremonies constituting valid marriage to have effect on Widows Re-marriage.

3. Whatever words spoken, ceremonies performed or engagements made on the marriage of a Hindu female who has not been previously married are sufficient to constitute a valid marriage, shall have the same effect if spoken, performed or made on the marriage of a Hindu Widow; and no marriage shall be declared invalid on the ground that such words, ceremonies or engagements are inapplicable to the case of a widow.

[4. A widow who has not completed her sixteenth year and whose previous marriage has not been consummated, shall not re-marry without the consent of her guardian in marriage in the order mentioned, *viz.*, her father, her mother or her next male relatives.

Consent to the re-marriage of a Widow.

The consent of the guardian shall be presumed until the contrary is proved.

No such marriage shall be declared void after it has been consummated in the case of a widow who has completed her sixteenth year, or whose previous marriage has been consummated. Her own consent shall be sufficient consent to constitute her re-marriage lawful and valid.]

"4. *If the widow re-marrying is a minor whose marriage has not been consummated, she shall not re-marry without the consent of her father, or if she has no father, of her paternal grandfather, or if she has no such grandfather, of her mother, or failing all these, of her elder brother or failing also brothers of her next male relative.*

Consent to re-marriage of minor widow.

All persons knowingly abetting a marriage made contrary to the provisions of this section shall be liable to imprisonment for any term not exceeding one year or to fine or to both.

Punishment for abetting marriage made contrary to this section.

And all marriages made contrary to the provisions of this section may be declared void by a Court of law: Provided that, in any question regarding the validity of a marriage made contrary to the provisions of this section, such consent as is aforesaid shall be presumed until the contrary is proved, and that no such marriage shall be declared void after it has been consummated.

Effect of such marriage. Proviso.

In the case of a widow who is of full age, or whose marriage has been consummated, her own consent shall be sufficient consent to constitute her re-marriage lawful and valid."

Consent to re-marriage of major widow.

5. Except as hereinafter provided, a widow shall not, by reason of her re-marriage forfeit any property or any right to which she would otherwise be entitled; and every widow who has re-married shall have

Saving of rights of widow marrying.

the same rights of inheritance as she would have had, had such marriage been her first marriage.

Rights of widow on her marriage.

[6. All rights and interests which any widow may have inherited from her deceased husband shall upon her re-marriage cease and determine as if she had then died, and the next heirs of her deceased husband, or other persons entitled to the property on her death shall thereupon succeed to the same.

Exception I.—In the absence of such a next heir or person entitled to the property at the time of her re-marriage, the property inherited from her husband shall be deemed to be her absolute property.

Exception II.—Rights and interests in any property by virtue of any gifts or testamentary disposition upon her only a limited estate with no power of alienating the same shall be deemed to confer upon her an absolute estate, *i.e.*, one with power of alienating the same, unless there is an express prohibition to re-marry in the terms evidencing the gift or testamentary disposition.

Guardianship of children of deceased husband on the re-marriage of his widow.

7. On the re-marriage of a Hindu widow, if neither the widow nor any other person has been expressly constituted by the will or testamentary disposition of the deceased husband the guardian of the children, she shall be entitled during their minority to have the care and custody of her children or any of them by her deceased husband until a competent Court having original jurisdiction in civil cases in the place where the deceased was domiciled at the time of his death shall appoint some proper person other than the mother to be guardian on a petition by the father or the paternal grandfather or the mother or the grandmother or any male relative of the deceased husband, and in making such appointment, the said court shall be guided, so far as may be, by the laws and rules in force touching the guardianship of children who have neither father nor mother:

Provided that, when the said children have not property of their own sufficient for their support and proper education whilst minors, no such appointments shall be made otherwise than with the consent of the mother unless the proposed guardian shall have given security for the support and proper education of the children during their minority:

Provided also that when the widow has been expressly constituted guardian by the will or testamentary disposition of the deceased husband no such appointment shall be made.]

Rights of widow in deceased husband's property to cease on her re-marriage.

"6. *All rights and interests which any widow may have in her deceased husband's property by way of maintenance, or by inheritance to her husband or to his lineal successors, or by virtue of any will or testamentary disposition conferring upon her, without express permission to re-marry, only a limited interest in such property, with no power of alienating the same, shall upon her re-marriage cease and determine as if she had then died; and the next heirs of her deceased husband, or other persons entitled to the property on her death, shall thereupon succeed to the same.*"

Guardian of children of deceased husband on the re-marriage of his widow.

"7. *On the re-marriage of a Hindu widow, if neither the widow nor any other person has been expressly constituted by the will or testamentary disposition of the deceased husband the guardian of his children, the father or paternal grandfather or the mother or paternal grandmother, of the deceased husband, or any male relative of the deceased husband, may petition the highest Court having original jurisdiction in civil cases in the place where the deceased husband was domiciled at the time of his death for the appointment of some proper person to be guardian of the said children, and thereupon it shall be lawful for the said Court, if it shall think fit, to appoint such guardian, who when appointed shall be entitled to have the care and custody of the said children or of any of them during their minority, in the place of their mother; and in making such appointment the Court shall be guided, so far as may be by the laws and the rules in force touching the guardianship of children who have neither father nor mother:*

Provided that, when the said children have not property of their own sufficient for their support and proper education whilst minors, no such appointment shall be made otherwise than with the consent of the mother unless the proposed guardian shall have given security for the support and proper education of the children whilst minors."

NOTIFICATION.

No. 3778—L. C. Bangalore, dated 24th May 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to regulate and control Insurance business in the State together with the Bill as amended by them is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Insurance Bill.

We, the members of the Select Committee to which the Insurance Bill was referred, have considered the several clauses of the Bill and have now the honour to submit this our report.

In this connection, representations received from a local insurance company and a company in British India and also from the Association of Indian Life Assurance Offices, Bombay, were brought to the notice of the committee and were also considered.

Clause 1.—Exemption of insurance business carried on by Government may appropriately be provided for in this clause as it contains provision regarding extent of the application of the Act rather than in clause 3 relating to "Registration." The following may be added as sub-clause (3), the present sub-clause (3) being renumbered as sub-clause (4). "(3) Nothing in this Act shall apply to any insurance business carried on by the Government."

Clause 2.—In sub-clause (9) (b) for the words "incorporated under the Mysore Companies Act 19" the words "incorporated under any law for the time being in force in Mysore" may be substituted so that the definition of "Insurance" may include bodies like the Co-operative Life Insurance Societies incorporated under the Co-operative Societies Act.

Clause 3.—In order to provide some means of securing information concerning discrimination against the nationals of Mysore which might have been imposed by the laws of the country in which a foreign company is incorporated, we recommend that after sub-clause (2) (d) of this clause, the following sub-clause be inserted, namely :—

"(*e*) In the case of an insurer having his principal place of business or domicile outside Mysore, a statement verified by an affidavit made by the principal officer of the insurer setting forth the requirements (if any) not applicable to nationals of the country in which such insurer is constituted, incorporated or domiciled which are imposed by the law or practice of that country upon the nationals of Mysore as a condition of carrying on insurance business in that country", the existing sub-clauses (*e*) and (*f*) being renumbered as (*f*) and (*g*).

For sub-clause 2 (*f*) as renumbered, the following may be substituted, namely,

"(*f*) a certified copy of the published prospectus, if any, and of the standard policy forms of the insurer and statement of the assured rates, advantages, terms and conditions to be offered in connection with insurance policies together with a certificate in connection with Life Insurance business by any actuary that such rates, advantages, terms and conditions are workable and sound.

Provided that in case of accident and miscellaneous insurance business other than workmen's compensation and motor car insurance the above requirements regarding prospectus, forms and statement shall be complied with only so far as prospectus, forms and statement may be available." The reasons for this amendment are (1) that unless the words "standard forms" are put in it may mean dozens of forms which have to be sent by each company and (2) that if the clause is extended to fire or accident insurance it will be an impossible task as in such insurance there may be many different

policies depending on the situation of the property or the risk attaching to the insurance. So the filing of standard forms can be insisted upon only in the case of life insurance companies.

Sub-clause (3).—With a view to widening the scope of the clause the words "nationals of Mysore" may be substituted for "companies incorporated in Mysore."

Clause 4.—Since mutual insurance companies like co-operative life insurance societies deal mostly with men of limited means, they must also be excluded from the operation of this clause. The words "or a mutual insurance company" may be inserted after the words "a co-operative life insurance society." At the end of sub-clause (2) as renumbered, the following may be added namely, "for an aggregate sum of not less than rupees five thousand under which an insurer pays or undertakes to pay a gross sum of rupees five hundred or less on an individual life." The addition of these words is calculated to prevent an insurer from evading the intention of the clause.

Clause 7.—With respect to the amount of deposit to be made by an insurer, we consider that it is desirable to have the same scale as in British India. But in order to give some relief we think that it may be permitted to be made in easy instalments. We therefore recommend that in the proviso to sub-clause (2) the maximum number of instalments may be increased to 12, the first instalment being not less than 1/8th of the total amount, the second not less than 1/7th of the balance and the subsequent instalments not less than 1/10th of the residue.

We consider that the interest to be allowed on deposits should be determined by Government from time to time, keeping in view the rates of interest allowed by Government on long term deposits in the savings bank, cash certificates and the like. Sub-clause (6) may be amended as follows:

"A deposit made in cash shall be invested by the Comptroller and shall carry interest at rates sanctioned by Government from time to time on such deposits and shall be returnable to the insurer in cash in any case in which under the provisions of this Act a deposit is to be returned; and any interest accruing due and collected on such deposits and on securities

deposited under sub-section (1) shall be paid to the insurer, subject in the case of securities only to deduction of the normal commission chargeable for the realization of interest."

Clause 8.—As the clause now stands, it is not clear that the deposit could not be attached at the instance of a policy holder even though the insurer had other assets available. It is therefore proposed to amend sub-clause (1) so that the policy holder can proceed against the deposit only when he has exhausted other remedies.

Clause 15.—This clause refers to two kinds of statements, statement under section 11, revenue account and so on and abstract of actuarial report under section 13. The period of six months will be quite ample for statements required to be published under section 11, but with regard to actuarial valuation it is considered that it might take a longer time. Some latitude is therefore proposed to be given to the Superintendent to give three months extension.

Clause 20.—The copying fee prescribed in this clause is based on the number of words. But the returns will consist mostly of figures. So an alternative method of calculating the fee on the basis of figures is also prescribed.

We feel that it is reasonable that a small fee should be prescribed for the supply to the share holder or policy holder of copies of accounts, etc., by the insurer.

Clause 32.—Some of the members of the Select Committee desired that the term of Managing Agent engaged by the insurer doing business before the commencement of this Act should be extended from 3 to 5 years, but the majority were not in favour of such extension.

Clause 42.—There may be a large number of persons applying for licences and the Superintendent himself may be unable to deal personally with all such applications. It is therefore proposed to permit the Superintendent to delegate the power of issue of licence.

As the clause stands at present, licences cannot be granted or renewed in the case of individuals suffering from any of the disqualifications mentioned therein. Such a provision may, in certain circumstances, cause undue hardship. The individual once found guilty of

fraud etc., under sub clause (4) (d) may be given a chance of improving himself and if he has shown improvement he may be given a chance of obtaining a license. We therefore propose that to sub-clause (4) (d), the following proviso be added :—

"Provided that the disqualification in clause (d) shall, if the Superintendent so directs, cease to operate after the expiry of such period as he may determine."

Clause 62.—The retaliatory action contemplated in this clause is an exceptional power to be exercised in special circumstances and must not be made obligatory in every case. We accordingly propose that the word "shall" in line 10 of this clause be changed to "may" so that the rule may be relaxed in cases in which reciprocal arrangements are entered into.

Clause 67.—It is desirable that this rule about the name of a Provident Society is made applicable to existing companies also.

Clause 69.—Specific provision has been added for the compulsory winding up of societies transacting business made illegal. Existing societies instead of being wound up at once, will be allowed a respite of two years ,with a view to reorganization for undertaking legitimate business. No new business of the prohibited type should however be undertaken during the period of respite.

Clause 97.—As the first instalment of the deposit has been reduced in the case of life insurance companies, the first instalment in the cases of mutual insurance companies and co-operative life insurance societies may also be reduced from Rs. 25,000 to Rs. 15,000.

Clause 109.—It is desirable to fix up a time limit for the filing of an appeal from any of the orders mentioned in this clause. We propose to fix up a time limit of 30 days.

Clause 117A.—Some of the provisions of this Act such as those relating to nomination may well be applied to insurance business carried on by Government. We consider that it is desirable to have a general power to apply any of the provisions to State Life Insurance business.

We have made other amendments of a verbal nature with a view to correcting errors or supplying obvious omissions and in some places to make the meaning clear.

They do not call for any remarks separately in the report. As a large number of amendments has been made we recommend that the Bill as amended be republished along with our report.*

N. MADHAVA RAU (*Chairman*).
BELUR SRINIVASAIENGAR.
MAHOMED ABBAS KHAN.
D. V. GUNDAPPA.
S. SHAMANNA.
S. ABDUL WAJID.
M. VENKATANARANAPPA.
MIRLE N. LAKSHMINARANAPPA.

Mr. R. C. Morris was unable to be present at the meeting.
*(Amended Bill printed as an annexure at the end.)

NOTIFICATION.

No. 3779—L. C., Bangalore, dated 24th May 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to consolidate and amend the Law relating to Trading Compaines and other Associations is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Companies Bill.

We, the members of the Select Committee appointed to consider the Companies Bill met on four days and considered the several clauses of the Bill and have now the honour to submit this our report :—

Clause 11.—In clause (a) of sub-clause (3) of this clause, the word " Mysore " may be omitted as no objection need be taken to the use of that word and it is not likely to indicate any association with the Government.

Clause 17.—In the first proviso to sub-clause (2) of this clause for the word and figures "regulation 78" the words and figures "regulations 78, 79, 80, 81 and 82" may be substituted, as all these regulations will have to be excluded from the articles of a private company.

Clause 86-B.—The following provisos may be added as in the British Indian Act:—

> "Provided that the exercise by a Director of a power to appoint an alternate or substitute director to act for him during an absence of not less than three months from the district in which meetings of the directors are ordinarily held, if done with the approval of the Board of Directors, shall not be deemed to be an assignment of office within the meaning of this section:
>
> "Provided always that any such alternate or substitute director shall *ipso facto* vacate office if and when the appointer returns to the district in which meetings of the directors are ordinarily held."

The provisos make it clear that temporary appointments of alternate or substitute directors do not constitute assignment of office when made with the approval of the board of directors and that the substitute can act only during the absence of the appointer.

Clause 87-A.—We consider that it would be enough to have in Mysore ten years as the maximum term of office of a Managing Agent at a time. We recommend that the word "ten" may be substituted for "twenty" wherever it occurs in this clause.

Clause 87-C.—In fixing the remuneration of a Managing Agent, expenses connected with his office would have been taken into consideration. We consider that no provision for office allowance in addition is called for. We therefore, recommend that the words "together with an office allowance" in sub-clause (1) of this clause may be omitted.

Clause 105-C.—Under clause 50 (2) increase of share capital can be effected only by a resolution at a general meeting. Where the Company had already authorised the increase of the share capital, the manner of disposal of these further shares is governed by clause 105-C and the procedure laid down therein is to be followed only

when no other instructions to the contrary have been given by the Company in a general meeting. In order to make this clear, the clause has to be amended as follows:—

For the words "Where the directors decide to increase the capital of the company by the issue of further shares, such shares" in this clause, the following words shall be substituted, namely,

> "Where it is decided to increase the capital of the company by the issue of further shares, such shares shall be disposed of in accordance with the directions of the company in a general meeting or in the absence of any such directions they"

We further recommend that the following explanation may be added to this clause:—

"*Explanation.*—For the purpose of this section capital shall include authorised capital not previously offered for subscription."

Clause 130.—As the clause stands at present, banks having branches and keeping books of account in those branches will find it difficult to comply with the requirements of the clause. It is therefore proposed to amend it as follows:—

> "In clause 130, sub-clause (3) shall be renumbered as sub-clause (4) and the following shall be inserted as sub-clause (3), namely:—
>
> "Where a company has a branch office, the company shall be deemed to have complied with the provisions of sub-section (1) and sub-section (2) if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to date at intervals of not more than two months, are sent by the branch office to the registered office of the company or other place referred to in sub-section (2)."

Clause 136.—As a separate Act is to be enacted for insurance companies and provident insurance societies this section will have to be excluded from its application to such companies. We accordingly recommend that after

sub-clause (4), the following shall be inserted as sub-clause (5), namely :—

"(5) This section shall not apply to a Life Insurance Company or provident insurance society to which the provisions of the Mysore Insurance Act, 1938, as to the annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions."

Clauses 277-D and 277-E.—With a view to overcome the difficulty in applying sections 109 to 125, to non-Mysore Companies which have no registered office in Mysore, the principal place of business in Mysore will have to take the place of the registered office of the Company and a proviso is added to clause 277-D so as to cover charges created outside Mysore.

Clause 287.—As a separate Insurance Act is being enacted we propose that the following new clause be inserted :—

"287. Nothing in this Act shall effect the provisions of the Insurance Act, 1938."

We have made some other amendments of a verbal nature with a view to correct certain errors and supply certain obvious omissions.

As the bill has not been changed in many material particulars, it need not be re-published.

N. MADHAVA RAU (*Chairman*).
K. R. SREENIVASA IYENGAR.
C. HAYAVADANA RAO.
S. ABDUL WAJID.
M. VENKATANARANAPPA.
MIRLE N. LAKSHMINARANAPPA.
P. SUBBARAMA CHETTY.
J. MAHAMED IMAM.
M. S. RAMCHENDRA RAO.

NOTIFICATION.

No. 3780—L. C., Bangalore, dated 24th May 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill to amend the Transfer of Property Act for certain purposes is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill to amend the Transfer of Property Act for certain purposes.

We, the undersigned members of the Select Committee to which the Bill to amend the Transfer of Property Act for certain purposes was referred, have considered the Bill and have now the honor to submit this our Report.

2. *Clause 16.*—The definition of "Bank" given in the Explanation to clause (*f*) proposed to be added is not wide enough to include Banks like the Imperial Bank of India which are constituted by Statutes, Charter or Letters Patent. The law of mortgage by deposit of title deeds must be made available to such banks also if their branches are opened here. Therefore, for the Explanation to clause (*f*) of Section 58, the following may be substituted :—

"*Explanation.*—'Bank' in this clause means an Association or company formed principally for the purpose of engaging on the business of banking and registered under the provisions of the law relating to companies for the time being in force in Mysore, or in the United Kingdom or in any of the Colonies or Dependancies thereof, or in British India or in any other Indian States which may be notified by the Government in the official Gazette in this behalf or incorporated by an Act of Parliament or of the Central Legislature or of a Provincial Legislature in India or by Royal Charter or Letters Patent."

3. *Clause 28.*—Sub-Clause (*c*) may be altered as follows:—

(*c*) In clause (*a*) for the words "a simple mortgagee as such" the following words shall be substituted, *viz.*, "any mortgagee, other than a mortgagee by conditional sale or a mortgagee under an anomalous mortgagee by the terms of which he is entitled to foreclose."

As the changes are not material, the Bill need not be re-published.

S. P. RAJAGOPALACHARI (Chairman).
M. VENKATESA IYENGAR.
MIRLE N. LAKSHMINARANAPPA.
K. R. SRINIVASAIENGAR.
BELUR SRINIVASAIENGAR.
C. HAYAVADANA RAO.
P. SUBBARAMA CHETTY.

Mr. B. S. Puttuswami was unable to be present at the meeting.

NOTIFICATION.

No. 3781—L. C., Bangalore, dated 24th May 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Transfer of Property (Amendment) Supplementary Bill is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Transfer of Property (Amendment) Supplementary Bill.

We, the members of the Select Committee appointed to consider the Transfer of Property (Amendment) Supplementary Bill, have considered the Bill and have the honor to submit this our Report.

2. We are of opinion that no change is necessary. The measure introduces amendments which are consequential on the Transfer of Property Amendment Bill.

3. As no change is recommended, the Bill need not be re-published.

S. P. RAJAGOPALACHARI (*Chairman*).
M. VENKATESA IYENGAR.
MIRLE N. LAKSHMINARANAPPA.
K. R. SRINIVASAIENGAR.
BELUR SRINIVASAIENGAR.
C. HAYAVADANA RAO.
P. SUBBARAMA CHETTY.

Mr. B. S. Puttuswami was unable to be present at the meeting.

Printed by the Superintendent at the Government Press, Bangalore.

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A BILL TO REGULATE AND CONTROL INSURANCE BUSINESS IN THE STATE.

[As amended by the Select Committee.]

[*Words in italics indicate the amendments suggested by the Committee. Omissions are indicated by asterisks.*]

Whereas it is expedient to regulate and control insurance business in Mysore; It is hereby enacted at follows:—

PART I.

Preliminary.

1. (*1*) This Act may be called the Insurance Act, 1938. Short title, extent and commencement.

(*2*) It extends to the whole of Mysore.

(*3*) Nothing in this Act shall apply to any insurance business carried on by the Government.

(*4*) It shall come into force on such date as the Government may, by notification in the official Gazette, appoint in this behalf.

2. In this Act, unless there is anything repugnant in the subject or context,— Definitions.

(*1*) "actuary" means an actuary possessing such qualifications as may be prescribed;

(*2*) "approved securities" means Government securities, securities and debentures issued by District Boards and other local bodies and guaranteed by the Government and any other security specifically declared by the Government as approved for this purpose;

(*3*) "auditor" means a person qualified under the provisions of section 144 of the Mysore Companies Act, 1938, to act as an auditor of companies;

(*4*) "certified" in relation to any copy or translation of a document required to be furnished by or on behalf of an insurer means certified by a principal officer of the insurer to be a true copy or a correct translation, as the case may be;

(*5*) "Court" means the principal civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction;

(*6*) "Government securities" means Government securities as defined in the Mysore Securities Act, 1925;

(*7*) "insurance company" means any insurer being a company, association or partnership which may be wound up under the Mysore Companies Act, 1938, or to which the Mysore Partnership Act, 1936, applies;

(*8*) "insurer" means—

(*a*) any individual or unincorporated body of individuals or body corporate incorporated under the law of any country other than Mysore, carrying on insurance business which—

(i) carries on that business in Mysore, or
(ii) has his or its principal place of business or is domiciled in Mysore;

(*b*) any body corporate carrying on the business of insurance, which is a body corporate incorporated *under any law for the time being in force in Mysore*; or stands to any such body corporate in the relation of a subsidiary company within the meaning of *the Mysore Companies Act, 1938*, as defined by sub-section (2) of section 2 of that Act,

but does not include an insurance agent licensed under section 42 or a provident society to which the provisions of Part III apply;

(*9*) "insurance agent" means an insurance agent licensed under section 42 being an individual who receives or agrees to receive payment by way of commission or other remuneration in consideration of his soliciting or procuring insurance business;

(*10*) "life insurance business" includes annuity business, that is to say, the business of effecting contracts of insurance for the granting of annuities on human life and, if so provided in the contract of insurance, disability and double indemnity accident benefits;

(*11*) "manager," and "officer" have the meanings assigned to those expressions in clauses (9) and (11) respectively of section 2 of the Mysore Companies Act, 1938;

(*12*) "managing agent" means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company occupying such position by whatever name called.

Explanation.—If a person occupying the position of managing agent calls himself manager or managing director, he shall nevertheless be regarded as managing agent for the purposes of section *32* of this Act;

(*13*) "policy-holder" includes the person who is the absolute assignee of the benefits under the policy;

(*14*) "prescribed" means prescribed by rules made under section *114*; and

(*15*) "Superintendent of Insurance" means the officer appointed by the Government to perform the duties of the Superintendent of Insurance under this Act.

PART II.

Provisions applicable to Insurers.

Registration.

3. (*1*) No insurer shall, after the commencement of this Act, begin to carry on any class of insurance business in Mysore, and no insurer carrying on any class of insurance business in Mysore shall, after the expiry of three months from the commencement of this Act, continue to carry on any such business, unless he has obtained from the Superintendent of Insurance a certificate of registration:

* * * *

(*2*) Every application for registration shall be accompanied by—

(*a*) a certified copy of the memorandum and articles of association, where the applicant is a company and incorporated under the Mysore Companies Act, 1938, *or under the Mysore Companies Act, 1917*, or, in the case of any other insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (8) of section 2, a certified

copy of the deed of partnership or of the deed of constitution of the company, as the case may be, or, in the case of an insurer having his principal place of business or domicile outside Mysore, the document specified in clause (*a*) of section 63;

(*b*) the name *and* address, and the occupation, if any, of the directors where the insurer is a company incorporated under the Mysore Companies Act, 1938, *or under the Mysore Companies Act, 1917*, and in the case of an insurer specified in sub-clause (*a*) (*ii*) of clause 8 of section 2 the names and addresses of the proprietors and of the manager in Mysore and in any other case the full address of the principal office of the insurer in Mysore and the names of the directors and the manager at such office and the name and address of some one or more persons resident in Mysore authorized to accept any notice required to be served on the insurer;

(*c*) a statement of the class or classes of insurance business done or to be done, and a statement that the amount required to be deposited by section *7 or section 98* before application for registration is made has been deposited together with a certificate from the Comptroller showing the amount deposited;

(*d*) where the provisions of section 6 *or section 97* apply, a declaration verified by an affidavit made by the principal officer of the insurer authorized in *that* behalf that the provisions of those sections as to working capital have been complied with;

(*e*) *In the case of an insurer having his principal place of business or domicile outside Mysore, a statement verified by an affidavit made by the principal officer of the insurer setting forth the requirements (if any) not applicable to nationals of the country in which such insurer is constituted, incorporated or domiciled which are imposed by the laws or practice of that country upon the nationals of Mysore as a condition of carrying on insurance business in that country;*

(*f*) a certified copy of the published prospectus, if any, and of the standard policy forms of the

insurer and statement of the assured rates, advantages, terms and conditions to be offered in connection with insurance policies together with a certificate in connection with life insurance business by an actuary that such rates, advantages, terms and conditions are workable and sound:

Provided that in the case of marine, accident and miscellaneous insurance business other than workmen's compensation and motor car insurance, the above requirements regarding prospectus, forms and statement shall be complied with only so far as the prospectus, forms and statements may be available; and

(*g*) the prescribed fee for registration being not more than *one hundred rupees* for each class of business.

(*3*) In the case of any insurer having his principal place of business or domicile outside Mysore, the Superintendent of Insurance shall withhold registration or shall cancel a registration already made, if he is satisfied that in the country in which such insurer has his principal place of business or domicile, *nationals of Mysore* are debarred by the law or practice of the country relating to, *or applied to*, insurance from carrying on the business of insurance, or that any requirement imposed on such insurer under the provisions of section 62 is not satisfied.

(*4*) In the case of any insurer the Superintendent of Insurance shall cancel a registration already made if the insurer fails to comply with the provisions of section 7 *or section 98* as to deposits.

(*5*) When the Superintendent of Insurance withholds or cancels any registration under *sub-section* (*3*) *or* sub-section (4) he shall give notice in writing to the insurer of his decision, and the decision shall take effect on such date as he may specify in that behalf in the notice, such date not being less than one month nor more than two months from the date of the receipt of the notice in the ordinary course of transmission.

(*6*) The Superintendent of Insurance shall, on being satisfied that the applicant has fulfilled all the requirements of the Act, applicable to him, grant the insurer a certificate of registration.

Minimum limits for annuities and other benefits secured by policies of life insurance.

4. (*1*) No insurer, not being a provident society to which, Part III, or a Co-operative Life Insurance Society *or a Mutual Insurance Company* to which Part IV, of this

Act applies, shall pay or undertake to pay on any policy of *life* insurance issued after the commencement of this Act an annuity of *fifty rupees* or less or a gross sum of *rupees five hundred* or less exclusive of any profit or bonus provided that this shall not prevent *an* insurer from converting any policy into a paid up policy of any value or payment of surrender value of any amount.

(*2*) * * * Nothing contained in this section shall apply to group policies, that is to say, policies in respect of a group of persons engaged in the same occupation or kindred occupations under a single employer, *for an aggregate sum of not less than rupees five thousand, under which an insurer pays or undertakes to pay a gross sum of rupees five hundred or less on an individual life.*

Restriction on name of insurer.

5. (*1*) An insurer shall not be registered, by a name identical with that by which an insurer in existence is already registered, or so nearly resembling that name as to be calculated to deceive except when the insurer in existence is in the course of being dissolved and signifies his consent to the Superintendent of Insurance.

(*2*) If an insurer through inadvertance or otherwise, is without such consent as aforesaid registered by a name identical with that by which an insurer already in existence whether previously registered or not is carrying on business or so nearly resembling it as to be calculated to deceive, the first mentioned insurer shall, *if called upon to do so by the Superintendent of Insurance* on the application of the second mentioned insurer, change his name within a time to be fixed by the Superintendent of Insurance.

(*3*) No insurer other than a provident society to which Part III applies, who begins to carry on insurance business after the commencement of this Act, shall adopt as its name and no such insurer carrying on business before the commencement of this Act shall continue after the expiry of six months from the commencement thereof to use as its name any combination of words which includes the word 'provident.'

Requirements as to capital.

6. No insurer *incorporated after, or* who commenced carrying on the business of life insurance in Mysore, whether solely or in common with any other business, after the 1st day of January, 1938, shall be registered unless he has as working capital a net sum of not less than fifty thousand rupees exclusive of the deposits

to be made before registration under sub-section (5) *of section* 7 of this Act, and exclusive in the case of a company of any sums payable as preliminary expenses in the formation of the company.

7. (*1*) Every insurer shall, in respect of the insurance business carried on by him in Mysore, deposit and keep deposited with the Comptroller, for and on behalf of the Government, cash or approved securities, estimated at *the* market * * value of the securities * * * on the day of deposit, of the amount hereafter specified, namely :— Deposits.

(*a*) where the business done or to be done is life insurance only, two hundred thousand rupees ;

(*b*) where the business done or to be done is fire insurance only, one hundred and fifty thousand rupees ;

(*c*) *where the business done or to be done is marine insurance only, one hundred and fifty thousand rupees* ;

(*d*) where the business done or to be done is accident and miscellaneous insurance including workmen's compensation, and motor car insurance, one hundred and fifty thousand rupees ;

(*e*) where the business done or to be done includes life insurance and any one of the *three* classes specified in clauses (*b*), (*c*) and (*d*), three hundred thousand rupees of which two hundred thousand rupees shall be the deposit for life insurance business ;

(*f*) where the business done or to be done includes life insurance and *any two of the three* classes specified in clauses (*b*), (*c*) and (*d*), four hundred thousand rupees of which two hundred thousand rupees shall be the deposit for life insurance business ;

(*g*) *where the business done or to be done includes life insurance and all the three classes specified in clauses* (*b*), (*c*) *and* (*d*), *four hundred and fifty thousand rupees of which two hundred thousand rupees shall be the deposit for life insurance business* ;

(*h*) where the business done or to be done does not include life insurance but includes *any two of*

the classes specified in clauses (*b*), (*c*) and (*d*), two hundred and fifty thousand rupees; and

(*i*) *where the business done or to be done does not include life insurance but includes all three classes specified in clauses* (*b*), (*c*) *and* (*d*), *three hundred and fifty thousand rupees.*

(*3*) Where the deposit is to be made by an insurer incorporated before, or carrying on the business of insurance in Mysore before, the 1st day of January, 1938, the deposit referred to in sub-section (1) may be made in not more than seven instalments, of which the first shall be not less than one-fourth of the total amount of the deposit and shall be paid before the application for registration is made, the second shall be not less than one-sixth of the balance of the deposit and shall be paid before the 1st day of January, 1940, and the subsequent instalments shall be of not less than the *minimum* amount *required* as the second instalment and shall be paid before the 1st day of January of each succeeding year:

Provided that in the case of insurers, carrying on life insurance business only, the deposit may be made in not more than *twelve* instalments, of which the first shall be not less than *one-eighth* of the total amount of the deposit, and shall be paid before the application for registration is made, the second shall be not less than one-*seventh* of the balance of the deposit, and shall be paid before the *1st* day *of* January, 1940, and the subsequent instalments shall be of not less than * * * * * * *one-tenth of the residue* and shall be paid before the 1st day of January of each succeeding year.

(*4*) Notwithstanding anything contained in sub-section (3), in the case of an insurer not being an insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (8) of section 2, the deposit referred to in sub-section (1) shall be made in two instalments of which the first shall be not less than one-half of the total amount of the deposit and shall be made before the application for registration is made, and the second shall be made before the expiry of one year from the date of registration.

(*5*) Where the deposit is to be made by an insurer * * * * * * * * * * * *neither incorporated before, nor carrying on insurance business in Mysore before, the 1st day of January, 1938*, the deposit may be made in instalments of not less than one-fourth the total amount before the application for registration is made, not less

than one-third the balance before the expiry of one year from the commencement of business in Mysore, and not less than *one-half the residue* * * * * before the expiry of two years from the commencement of business in Mysore, and the balance before the expiry of three years from the commencement of business in Mysore :

Provided that in the case of any insurer not being an insurer specified in sub-clause (a) (ii) or sub-clause (b) of clause (8) of section 2, the deposit shall be made in full before the application for registration is made.

(*6*) No class of insurance business in addition to the class or classes in respect of which an insurer is already liable to make a deposit under sub-section (1) *or sub-section* (*2*) shall be undertaken by the insurer until the deposit to which he is already liable has been made in full, and the additional deposit required in respect of the additional class of business or so much thereof as under the provisions of sub-section (3), (4) or (5) is to be made before the application for registration, has also been made in full.

(*8*) A deposit made in cash shall be invested * * * by the Comptroller *and shall carry interest at rates sanctioned by the Government from time to time on such deposits* and shall be returnable to the insurer in cash in any case in which under the provisions of this Act a deposit is to be returned; and any interest accruing due *and collected on such deposits and* on securities deposited under sub-section (1) shall be paid to the insurer, subject *in the case of securities*, only to deduction of the normal commission chargeable for the realization of interest.

(*9*) The insurer may at any time * * substitute for securities lodged with the Comptroller under this section other approved securities of equal value at the market rate prevailing at the time of substitution, and the Comptroller shall, *if so requested by a depositor, invest in approved securities the whole or any part of a deposit made originally in cash or the whole or any part of cash received by the Comptroller on sale of or on the maturing of securities lodged by the depositor.*

(*10*) If any part of a deposit made under this section is used in the discharge of any liability of the insurer, the insurer shall deposit such additional sums in cash or approved securities as will make up the amount so used. The insurer shall be deemed to have failed to comply with the requirements of sub-section (1), unless the deficiency is supplied within a period of two months from the date

when the deposit or any part thereof is so used for discharge of liabilities.

Reservation of deposits.

8. (*1*) Any deposit made under section 7 shall be deemed to be part of the assets of the insurer but shall not be susceptible of any assignment or charge; nor shall it be available for the discharge of any liability of the insurer other than liabilities arising out of policies of insurance issued by the insurer so long as any such liabilities remain undischarged; nor shall it be liable to attachment in execution of any decree except a decree *obtained by a policy-holder of the insurer in respect of a debt due upon a policy which debt the policy-holder has failed to realise in any other way.*

(*2*) Where a deposit is made in respect of life insurance business the deposit made in respect thereof shall not be available for the discharge of any liability of the insurer other than liabilities arising out of policies of life insurance issued by the insurer.

Refund of deposits.

9. Where an insurer has ceased to carry on in Mysore any class of insurance business in respect of which a deposit has been made under section 7 and his liabilities in Mysore in respect of business of that class have been satisfied or are otherwise provided for, the court may, on the application of the insurer, order the return to the insurer of so much of the deposit as does not relate to the classes of insurance, if any, which he continues to carry on.

Separation of accounts and funds.

10. (*1*) Where the insurer carries on business of more than one of the classes specified in clauses (*a*), (*b*), (*c*) and (*d*) of sub-section (1) of section 7, he shall keep a separate account of all receipts and payments in respect of each such class of insurance business.

(*2*) Where the insurer carries on the business of life insurance, the excess of receipts over payments in respect of such business shall be carried to and shall form a separate fund to be called the life insurance fund and the deposit made by the insurer in respect of life insurance business shall be deemed to be part of such fund.

(*3*) The life insurance fund shall be as absolutely the security of the life policy-holders as though it belonged to an insurer carrying on no other business than life insurance business and shall not be liable for any contracts of the insurer for which it would not have been liable had the business of the insurer been only that of life insurance

and shall not be applied directly or indirectly *save as provided in section 49* for any purposes other than those of life insurance.

Accounts and balance-sheet.

11. (*1*) Every insurer, in the case of an insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (8) of section 2 in respect of all insurance business transacted by him, and in the case of any other insurer in respect of the insurance business transacted by him in Mysore, shall at the expiration of each calendar year prepare with reference to that year—

(*a*) in accordance with the regulations contained in Part I of the First Schedule, a balance-sheet in the form set forth in Part II of that Schedule;

(*b*) in accordance with the regulations contained in Part I of the Second Schedule, a profit and loss account in the forms set forth in Part II of that Schedule, except where the insurer carries on business of one class only of the classes specified in clauses (*a*), (*b*) *and* (*c*) of sub-section (1) of section 7 and no other business;

(*c*) in respect of each class of insurance business carried on by him in accordance with the regulations contained in Part I of the Third Schedule, a revenue account in the form or forms set forth in Part II of that Schedule applicable to that class of insurance business.

(*2*) Unless the insurer is a company to which the Mysore Companies Act, 1938, applies, the accounts and statements referred to in sub-section (1) shall be signed by the insurer, or in the case of a company by the chairman, if any, and two directors and the principal officer of the company, or in the case of a firm by two partners of the firm, and shall be accompanied by a statement containing the names and descriptions of the persons in charge of the management of the business during the period to which such accounts and statements refer and by a report by such persons on the affairs of the business during that period.

Audit.

12. The balance-sheet, profit and loss account, revenue account and profit and loss appropriation account of every insurer, in the case of an insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (8) of section 2 in

respect of all insurance business transacted by him, and in the case of any other insurer in respect of the insurance business transacted by him in Mysore, shall, unless they are subject to audit under the Mysore Companies Act, 1938, be audited annually by an auditor, and the auditor shall in the audit of all such accounts have the powers *of, exercise* the functions vested in, and discharge the duties *and be* subject to *the* liabilities and penalties imposed on, auditors of companies by section 145 of the Mysore Companies Act, 1938.

Acturial report and abstract.

13. (*1*) Every insurer carrying on life insurance business shall, in respect of the life insurance business transacted by him in Mysore, and also in the case of an insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (8) of section 2 in respect of all life insurance business transacted by him, once at least in every five years cause an investigation to be made by an actuary into the financial condition of the life insurance business carried on by him, including a valuation of his liabilities in respect thereto and shall cause an abstract of the report of such actuary to be made in accordance with the regulations contained in Part I of the Fourth Schedule and in conformity with the requirements of Part II of that Schedule.

(*2*) The provisions of sub-section (1) regarding the making of an abstract shall apply whenever at any other time an investigation into the financial condition of the insurer is made with a view to the distribution of profits or an investigation is made of which the results are made public.

(*3*) There shall be appended to every such abstract as is referred to in sub-section (1) or sub-section (2), a certificate signed by the principal officer of the insurer that full and accurate particulars of every policy under which there is a liability either actual or contingent have been furnished to the actuary for the purpose of the investigation.

(*4*) There shall be appended to every such abstract a statement, in conformity with the requirements of Part II of the Fifth Schedule and prepared in accordance with the regulations contained in Part I of that Schedule, of the life insurance business in force at the date to which the accounts of the insurer are made up for the purposes of such abstract:

Provided that, if the investigation referred to in sub-sections (1) and (2) is made annually by any insurer,

the statement need not be appended every year but shall be appended at least once in every five years.

(5) Where an investigation into the financial condition of an insurer is made as at a date other than the expiration of the year of account, the accounts for the period since the expiration of the last year of account and the balance-sheet as at the date at which the investigation is made shall be prepared and audited in the manner provided by this Act.

Register of policies and register of claims.

14. Every insurer, in the case of an insurer specified in sub-clause (a) (ii) or sub-clause (b) of clause (8) of section 2 in respect of all business transacted by him, and in the case of any other insurer in respect of the insurance business transacted by him in Mysore, shall maintain—

(*a*) a register or record of policies, in which shall be entered, in respect of every policy issued by the insurer, the name and address of the policy-holder, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice, and

(*b*) a register or record of claims, in which shall be entered every claim made together with the date of the claim, the name and address of the claimant and the date on which the claim was discharged, or, in the case of a claim which is rejected, the date of rejection and the grounds therefor.

Submission of returns.

15. (*1*) The audited accounts and statements referred to in section 11 and the abstract and statement referred to in section 13 shall be printed, and four copies thereof shall be furnished as returns to the Superintendent of Insurance within six months from the end of the period to which they refer. *The Superintendent of Insurance may extend the time allowed for furnishing the abstract and statement referred to in section 13 by a period not exceeding three months* :

Provided that the said period *of six months* shall in the case of insurers having their principal place of business or domicile outside Mysore and in the case of insurers constituted, incorporated or domiciled in Mysore but also carrying on business outside Mysore be extended by three months, and provided further that the Government may in any case extend the time allowed by this sub-section

for the furnishing of such returns by a further period not exceeding three months.

(2) Of the four copies so furnished one shall be signed in the case of a company by the chairman and two directors and by the principal officer of the company and, if the company has a managing director or managing agent, by that director or managing agent, in the case of a firm, by two partners of the firm, and, in the case of an insurer being an individual, by the insurer himself.

(3) Where the insurer's principal place of business or domicile is outside Mysore, he shall forward to the Superintendent of Insurance, along with the documents referred to in section 11, the balance-sheet, profit and loss account and revenue account and the valuation reports and valuation statements, if any, which the insurer is required to file with the public authority of the country in which the insurer is constituted, incorporated or domiciled or, where such documents are not required to be filed, a certified statement showing the total assets and liabilities of the insurer at the close of the period covered by the said documents and his total income and expenditure during that period.

Returns by insurers established outside Mysore.

16. (1) Where, by the law of the country in which an insurer, not being an insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (8) of section 2, is constituted, incorporated or domiciled, the insurer is required to prepare and to furnish to a public authority of that country documents of substantially the same nature as the documents required to be furnished as returns in accordance with the provisions of section 15, the provisions of sub-section (2) of this section shall apply to such insurer in lieu of the provisions of sections 11, 12, 13 and 15.

(2) The insurer shall, within the time specified in sub-section (1) of section *15*, furnish to the Superintendent of Insurance four certified copies in the English language of every balance-sheet, account, abstract, report and statement supplied to the public authority referred to in sub-section (1) of this section, and, in addition thereto, four copies in the English language of each of the following statements, namely:—

(*a*) a statement showing the assets held by the insurer in Mysore;

(*b*) for each class of insurance business carried on by him, a revenue account in the form or

forms set forth in Part II of the Third Schedule applicable to that class of business, showing separately with respect to business transacted by the insurer in Mysore, the details required to be supplied in a revenue account furnished under this clause of this sub-section ;

(*c*) an abstract of the valuation report in respect of all life insurance business transacted by the insurer in Mysore, prepared in the manner required by sub-section (1) of section 13 ; and

(*d*) a declaration in the prescribed form stating that all amounts received by the insurer directly or indirectly whether from his head office or from any other source outside Mysore have been shown in the revenue account except such sums as properly appertain to the capital account.

Exemption from certain provisions of the Mysore Companies Act, 1938.

17. Where an insurer, being a company incorporated under the Mysore Companies Act, 1938 *or under the Mysore Companies Act, 1917*, in any year furnishes his accounts and balance-sheet in accordance with the provisions of section *15*, he may at the same time send to the Registrar of Companies a copy of such accounts and balance-sheet ; and where such copy is so sent it shall not be necessary for the company to file a balance-sheet with the Registrar as required by sub-section (1) of section 134 of that Act and the copy of the accounts and balance sheet so sent shall be dealt with in all respects as if they were filed in accordance with that section.

Furnishing reports.

18. Every insurer shall furnish to the Superintendent of Insurance a certified copy of every report on the affairs of the concern which is submitted to the members or policy-holders of the insurer immediately after its submission to the members or policy-holders, as the case may be.

Abstract of proceedings of general meetings.

19. Every insurer, being a company *or body* incorporated under *any law for the time being in force in Mysore*, shall furnish to the Superintendent of Insurance an abstract of the proceedings of every general meeting within thirty days from the holding of the meeting to which it relates.

Custody and inspection of documents and supply of copies.

20. (*1*) Every return furnished to the Superintendent of Insurance or a certified copy thereof shall be kept by the Superintendent and shall be open to inspection ;

and any person may procure a copy of any such return, or of any part thereof, on payment of a fee of six annas for every hundred words or fractional part thereof required to be copied, *any five figures being deemed equivalent to one word.*

(*2*) A printed or certified copy of the accounts, statements and abstract furnished in accordance with the provisions of section *15* or section *16* shall, on the application of any share-holder or policy-holder made at any time within two years from the date on which the document was so furnished, be supplied to him by the insurer *on payment of such fee as may be prescribed in this behalf under section 113* (*k*), within fourteen days if the insurer is constituted, incorporated or domiciled in Mysore and in any other case within one month of such application.

(*3*) A copy of the memorandum and articles of association of the insurer if a company shall on the application of any policy-holder be supplied to him by the insurer on payment of one rupee.

Powers of Superintendent of Insurance regarding returns.

21. (*1*) If it appears to the Superintendent of Insurance that any return furnished to him under the provisions of this Act is inaccurate or defective in any respect, he may—

(*a*) require from the insurer such further information, certified if he so directs by an auditor or actuary, as he may consider necessary to correct or supplement such return;

(*b*) call upon the insurer *to submit* for his examination at the principal place of business fo the insurer in Mysore any book of account, register or other document or to supply any statement which he may specify in a notice served on the insurer for the purpose;

(*c*) examine any officer of the insurer on oath in relation to the return;

(*d*) decline to accept any such return unless the inaccuracy has been corrected or the deficiency has been supplied before the expiry of one month from the date on which *the* requisition asking for correction *of the inaccuracy* or supply of the deficiency was delivered to the insurer and if he declines to accept any such return, the insurer shall be deemed to have failed to comply with the provisions of section 15 or section 16 relating to the furnishing of returns,

(2) The Court may on the application of an insurer and after hearing the Superintendent cancel any order made by the Superintendent under clause (a), (b) or (c) of sub-section (1) or may direct the acceptance of any return which the Superintendent has declined to accept, if the insurer satisfies the Court that the action of the Superintendent was in the circumstances unreasonable.

Power of Superintendent of Insurance to order revaluation.

22. If it appears to the Superintendent of Insurance that an investigation or valuation to which section 13 refers does not properly indicate the condition of the affairs of the insurer by reason of the faulty basis adopted in the valuation, he may, after giving noice to the insurer and giving him an opportunity to be heard, cause an investigation and valuation to be made at the expense of the insurer by an actuary appointed by the insurer for this purpose and approved by the Superintendent of Insurance.

Evidence of documents.

23. (1) Every return furnished to the Superintendent of Insurance, which has been certified by the Superintendent to be a return so furnished, shall be deemed to be a return so furnished.

(2) Every document, purporting to be certified by the Superintendent of Insurance to be a copy of a ruturn so furnished, shall be deemed to be a copy of that return and shall be received in evidence as if it were the original return, unless some variation between it and the original return is proved.

Summary of returns to be published.

24. The Government shall every year cause to be published, in such manner as it may direct, a summary of the accounts, balance-sheets, statements, abstracts and other returns under this Act or purporting to be under this Act which have been furnished to the Superintendent of Insurance for the year preceding the year of publication and may append to such summary any note of the Government and any correspondence in relation thereto.

Returns to be published in statutory forms.

25. No insurer shall publish in Mysore any return in a form other than that in which it has been furnished to the Superintendent of Insurance:

Provided that nothing contained in this section shall prevent an insurer from publishing a true and accurate abstract from such return for the purposes of publicity.

Alterations in the particulars furnished with application for registration to be reported.

26. Whenever any alteration occurs or is made which affects any of the matters which are required under the provisions of sub-section (2) of section 3 to accompany an application by an insurer for registration, the insurer

shall forthwith furnish to the Superintendent of Insurance full particulars of such alteration.

INVESTMENT, LOANS AND MANAGEMENT.

Investment of assets *and restriction on loans.*

27. (*1*) Every insurer incorporated or domiciled in Mysore shall, *subject to the provisions of sub-section* (*3*), at all times invest and hold invested assets equivalent to *not less than fifty-five* per cent of the sum of the amount of his liabilities to holders of life insurance polices on account of matured claims and the amount *required* to meet *the liability* on policies of life insurance maturing for payment less the amount of any deposit made under section 7 by the insurer in respect of his life insurance business and less any amount due to the insurer for loans granted by him on policies of life insurance, in the manner following, namely, *twenty-five* per cent of the said sum in Government securities and a further sum equal to not less than *thirty* per cent of the said sum in Government securities or other approved securities.

(*2*) An insurer incorporated or domiciled elsewhere than in Mysore, shall *subject to the provisions of sub-section* (3), at all times invest and hold invested assets equivalent to *not less than* the sum of his liabilities to holders of life insurance policies in Mysore on account of matured claims and the amount *required* to meet *the liability* on policies of life insurance maturing for payment in Mysore, less the amount of any deposit made under section 7 by the insurer in respect of his life insurance business and less any amount due to the insurer on loans granted by him on policies of life insurance in the manner following, namely, *thirty-three and one-third* per cent of the said sum in Government securities, and the balance in Government securities or other approved securities.

(*3*) An insurer carrying on business at the commencement of *this* Act to whom sub-section (1) or sub-section (2) applies shall before the expiry of four years from the commencement of this Act invest the total amount required to be invested by those sub-sections in the manner required thereby :

Provided that of such total amount the insurer shall have invested *not less than one-fourth in securities of the nature specified in sub-section* (*1*) *before the expiry of one year*, not less than one-half before the expiry of two years, and not less than three-fourths before the expiry of three years from the commencement of this Act.

(*4*) The assets required by this section to be held *invested* by an insurer to whom sub-section (2) applies shall be *held in trust for the discharge of claims of the nature referred to in sub-section* (*2*) *and shall be vested* in trustees resident in Mysore and approved by the Government by an instrument of trust which shall be executed by the insurer and approved by the Government and shall define the manner in which alone the subject matter of *the* trust shall be dealt with.

Statement of investments of assets.

28. (*1*) Every insurer registered under this Act carrying on the business of life-insurance, not being a provident society, shall twice in every year, namely, *within fourteen days of* the 30th day of June and *within fourteen days of* the 31st day of December, submit to the Superintendent of Insurance a statement showing *as at the said dates the assets held invested* in accordance with section 27 and such statement shall be certified by the principal officer of the insurer.

(*2*) The Superintendent of Insurance shall be entitled at any time to take such steps as he may consider necessary for the inspection or verification of the assets invested in compliance with section 27 and the insurer shall comply with all requisitions made by the Superintendent in that behalf.

Prohibition of loans.

29. No insurer shall grant loans or temporary advances either on hypothecation of property or on personal security *or otherwise*, except loans on life policies issued by him within their surrender value, to any director, manager, managing agent, actuary, auditor or officer of the insurer if a company, or where the insurer is a firm, to any partner therein, or to any other company or firm in which any such director, manager, managing agent, actuary, officer or partner holds the position of a director, manager, managing agent, actuary, officer or partner:

Provided that nothing herein contained shall apply to loans made by an insurer to a banking company:

Provided *further*, that every existing loan to any director, manager, managing agent, auditor, *actuary*, officer *or partner*, notwithstanding any contract to the contrary, *shall* be repaid within one year from the commencement of this Act, and in case of default, such defaulting director, manager, managing agent, *auditor*, *actuary*, officer *or partner* shall cease to hold office *on* the expiry of one year from the commencement of this Act:

Provided further, that nothing in this section shall prohibit a company from granting such loans or advances to a subsidiary company or to any other company of which the company granting the loan or advance is a subsidiary company.

Liability of directors, etc., for loss due to contraventions of sections 27 and 29.

30. If, by reason of a contravention of any of the provisions of section 27 or *section* 29, any loss is sustained by the insurer or by the policy-holders, every director, manager, managing agent, officer or partner who is knowingly a party to such contravention shall, without prejudice to any other penalty to which he may be liable under this Act, be jointly and severally liable to make good the amount of such loss.

Assets of insurer how to be kept.

31. None of the assets in Mysore of any insurer shall, except *in the case of deposits made with the Comptroller under section, or* in so far as *assets* are required to be vested in trustees by sub-section (4) of section 27, be kept otherwise than in the corporate name of the undertaking, if a company, or in the name of the partners, if a firm, or in the name of the proprietor, if an individual.

Limitation on employment of managing agents and on the remuneration payable to them.

32. (*1*) No insurer shall, after the commencement of this Act, appoint *a* managing agent for the conduct of his business.

(*2*) Where any insurer engaged in the business of insurance before the commencement of this Act employs *a* managing agent for the conduct of his business, then, notwithstanding anything to the contrary contained in the Mysore Companies Act, 1938, and notwithstanding anything to the contrary contained in the articles of the insurer, if a company, or in any agreement entered into by the insurer, such managing agent shall cease to hold office on the expiry of three years from the commencement of this Act and no compensation shall be payable to *him* by the insurer by reason only of the pre-mature termination of *his* employment as managing agent.

(*3*) After the commencement of this Act, notwithstanding anything contained in the Mysore Companies Act, 1938, and notwithstanding anything to the contrary contained in any agreement entered into by an insurer or in the articles of association of an insurer being a company, no insurer shall pay to a managing agent and no managing agent shall accept from an insurer as remuneration for his services as managing agent more than two thousand rupees per month *in all*, including salary *and* commission and other remuneration payable

to and receivable by *him*, for his services as managing agent.

INSPECTION.

33. (*1*) If the Superintendent of Insurance has reason to believe that the interests of the policy-holders of an insurer are in danger or that an insurer is unable to meet his obligations or has made default in complying with any of the provisions of this Act, or that an offence under this Act has been or is likely to be committed by an insurer or any officer of an insurer, or if he receives a requisition in this behalf signed by shareholders of an insurer being a company not less in number than one-tenth of the whole body of shareholders and holding not less than one-tenth of the whole share capital or if he receives a requisition in this behalf signed by not less than fifty policy-holders holding policies of life insurance that have been in force for not less than three years and are of the total value of not less than fifty thousand rupees and supported by an affidavit, he may, after giving notice to the insurer and giving him an opportunity to be heard, appoint an auditor or actuary or both, not being an auditor or actuary in the employ of the insurer, to investigate the affairs of the insurer, or may himself make such investigation.

Power of Superintendent *of insurance to order inspection.*

(*2*) The Court may, on the application of an insurer *and after giving notice to and hearing the Superintendent of Insurance*, forbid such action by the Superintendent, if the insurer satisfies the Court that it is unnecessary in the circumstances.

(*3*) The results of any investigation made under this section shall be embodied in a report of which one copy shall be lodged with the Superintendent of Insurance and one copy shall be furnished to the insurer; and a copy of *such report shall be furnished to the* policy-holders who have sent a requisition for such an investigation.

(*4*) The Superintendent of Insurance may require the insurer to comply within a time to be specified by him (not being less than fifteen days from the receipt of the notice by the insurer) with any directions he may issue to remedy defects disclosed by such inspection.

(*5*) If, as a result of any investigation made under this section, the Superintendent of Insurance is of opinion that it is necessary in the interests of the policy-holders that the business of the insurer should be wound up, or if the insurer fails to comply with any directions issued

under sub-section (4), the Superintendent may, after giving notice to the insurer and giving him an opportunity to be heard, apply to the Court to have the business of the insurer wound up.

Powers of investigator.

34. When any investigation is made in persuance of section 33 the provisions of section 140 of the Mysore Companies Act, 1938, shall apply for the purposes of such investigation as they apply to an investigation made in pursuance of section 138 of that Act, and all expenses of and incidental to such investigation shall be defrayed by the insurer.

AMALGAMATION AND TRANSFER OF INSURANCE BUSINESS.

Amalgamation and transfer of insurance business.

35. (*1*) No life insurance business of an insurer specified in sub-clause (a) (ii) or sub-clause (b) of clause (8) of section 2 shall be transferred to or amalgamated with the life insurance business of any other insurer except in accordance with a scheme prepared under this section and sanctioned by the Court having jurisdiction over one or other of the insurers concerned.

(*2*) Any scheme prepared under this section shall set out the agreement under which the transfer or amalgamation is proposed to be effected, and shall contain such further provisions as may be necessary for giving effect to the scheme.

(*3*) Before an application is made to the Court to sanction any such scheme, notice of the intention to make the application together with a statement of the nature of the amalgamation or transfer, as the case may be, and of the reason therefor shall, at least two months before the application is made, be sent to the Government and certified copies of the following documents shall be furnished to the Government and shall during the two months aforesaid be kept open for the inspection of the members and policy-holders at the principal and branch offices and chief agencies of the insurers concerned, namely :—

(*a*) a draft of the agreement or deed under which it is proposed to effect the amalgamation or transfer;

(*b*) statements of the assets and liabilities of the insurers concerned in such amalgamation or transfer; and

(*c*) the actuarial or other reports on which the scheme was founded including a report by an independent actuary on the proposed amalgamation or transfer.

(*4*) Where an application under *sub-section* (*3*) is made to the Court within three months from the commencement of this Act, the Court may, on application, extend for the insurer whose business is to be transferred to or amalgamated with the business of another insurer, the time allowed for registration and for the payment of the first instalment of the deposit under sections 3 *and* 7 for such period not exceeding nine months as the Court may think fit.

Sanction of amalgamation *and transfer by Court.*

36. When any application such as is referred to in sub-section (3) of section 35 is made to the Court, the Court shall cause, *if* for special reasons *it* so directs, notice of the application to be sent to every person who is the holder of a life policy of *any* insurer concerned and shall cause a statement of the nature and terms of the amalgamation or transfer, as the case may be, to be published in such manner and for such period as it may direct, and, after hearing the directors and such policy-holders as apply to be heard and any other persons whom it considers entitled to be heard, may sanction the arrangement, if it is satisfied that no sufficient objection to the arrangement has been established.

Statements required after amalgamation *and transfer.*

37. Where an amalgamation takes place between any two or more insurers, or where any business of one insurer is transferred to another, whether in accordance with a scheme confirmed by the Court or otherwise, the insurer carrying on the amalgamated business or the insurer to whom the business is transferred, as the case may be, shall, within three months from the date of the completion of the amalgamation or transfer, furnish to the Government—

(*a*) a certified copy of the scheme, agreement or deed under which the amalgamation or transfer has been effected, and

(*b*) a declaration signed by every insurer concerned or in the case of a company by the chairman and the principal officer that to the best of their belief every payment made or to be made to any person whatsoever on account of the amalgamation or transfer is therein fully set

forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property by or with the knowledge of any parties to the amalgamation or transfer, and

(*c*) where the amalgamation or transfer has not been made in accordance with a scheme confirmed by the Court—

(*i*) certified copies of statements of the assets and liabilities of the insurers concerned, and

(*ii*) certified copies of the actuarial or other reports upon which the agreement or deed was founded.

Assignment or Transfer of Policies and Nominations.

Assignment and transfer of life insurance policies.

38. (*1*) A transfer or assignment of a policy of life insurance, whether with or without consideration, may be made only by an endorsement upon the policy itself or by a separate instrument, signed in either case by the transferor or by the assignor or his duly authorized agent and attested by at least one witness, specifically setting forth the fact of transfer or assignment.

(*2*) The transfer or assignment shall be complete and effectual upon the execution of such endorsement or instrument duly attested but shall not be operative as against an insurer and shall not confer upon the transferee or assignee, or his legal representative, any right to sue for the amount of such policy or the moneys secured thereby until a notice in writing of the transfer or assignment has been delivered to the insurer at his principal place of business in Mysore by or on behalf of the transferor or transferee.

(*3*) The date on which the notice referred to in sub-section (2) is delivered to the insurer shall regulate the priority of all claims under a transfer or assignment *as between persons interested in the policy; and where there is more than one instrument of transfer or assignment the priority of the claims under such instruments shall be governed by the order in which the notices referred to in sub-section (2) are delivered.*

(*4*) Upon the receipt of the notice referred to in sub-section (2), the insurer shall record the fact of such transfer or assignment together with the date thereof

and the name of the transferee or the assignee and shall, on the request of the person by whom the notice was given, or of the transferee, or assignee, on payment of a fee not exceeding one rupee, grant a written acknowledgment of the receipt of such notice; and any such acknowledgment shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgment relates.

(5) From the date of the receipt of the notice referred to in sub-section (2) the insurer shall recognise the transferee or assignee named in the notice as the only person entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferor or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings.

(6) The rights and remedies of the assignee or transferee of a policy of life insurance existing prior to the commencement of this Act shall not be affected by the provisions of this section.

(7) Notwithstanding any law or custom having the force of law to the contrary, an assignment in favour of a person made with the condition that it shall be inoperative or that the interest shall pass to some other person on the happening of a specified event during the life of the policy-holder, and an assignment in favour of the survivor or survivors of a number of persons, shall be valid.

Nomination by policy-holder.

39. (1) The holder of a policy of life insurance may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death.

(2) Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be.

(3) The insurer may charge a fee not exceeding one rupee for registering any such endorsement and shall furnish to the policy-holder a written acknowledgment of having *registered*.

(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination.

(5) Where the policy matures for payment during the life-time of the policy-holder or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policy-holder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.

(6) Where *the* nominee or, if there are more nominees than one, a nominee or nominees survive the policy-holder, the amount secured by the policy shall be payable to such survivor or survivors.

Commission and Rebates and Licensing of Agents.

Prohibition of payment by way of commission or otherwise for procuring business.

40. (1) No person shall, after the expiry of six months from the commencement of this Act, pay or contract to pay any remuneration or reward whether by way of commission or otherwise for soliciting or procuring insurance business to any person except an insurance agent licensed under section 42 or a person acting on behalf of an insurer who for the purposes of insurance business employs licensed insurance agents.

(2) No insurance agent licensed under section 42 shall be paid or contract to be paid by way of commission or as remuneration in any form an amount exceeding, in the case of life insurance business, *forty* per cent of the first year's premium payable on any policy or policies effected through him and *five* per cent of *a* renewal premium, or, in the case of business of any other class, *fifteen* per cent of *the* premium:

Provided that insurers, in respect of life insurance business only may pay during the first ten years of their business, to their insurance agents fifty-five per cent of the first year's premium payable on any policy or policies effected through them and six per cent of *the* renewal premiums.

(3) Nothing in this section shall prevent the payment under any contract existing prior to *the first* day of January, 1938, of gratuities or renewal commission to an insurance agent or to his representatives after his decease in respect of insurance business effected through him before the said date.

41. (*1*) No *person* shall allow or offer to allow, either directly or indirectly, as an inducement to any person to effect or renew an insurance in respect of any kind of risk relating to lives or property, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer. Prohibition of rebates.

(*2*) *Any person making default* in complying with the provisions of this section, * * * * shall be punishable with fine which may extend to one hundred rupees, *unless the default is made* by a person effecting or renewing *a policy, in which case* he shall be punishable with fine which may extend to fifty rupees only.

42. (*1*) The Superintendent of Insurance *or an officer authorized by him in this behalf* shall, in the prescribed manner and on payment of the prescribed fee which shall not be more than one rupee, issue to any individual making an application under this section and not suffering from any of the disqualifications hereinafter mentioned, a licence to act as an insurance agent for the purpose of soliciting or procuring insurance business. Licensing of Insurance agents.

(*2*) A licence issued under this section shall entitle the holder to act as an insurance agent for any registered insurer.

(*3*) A licence issued under this section shall expire on the 30th of June in each year, but *shall*, if the applicant does not suffer from any *of the* disqualifications *hereinafter mentioned*, be renewed from year to year on payment of a fee of one rupee.

(*4*) The disqualifications above referred to shall be the following :—

(*a*) that the person is a minor ;

(*b*) that he is found to be of unsound mind by a Court of competent jurisdiction ;

(*c*) that he has been found, *by a Court of competent jurisdiction*, guilty of criminal misappropriation or criminal breach of trust, or cheating ;

(*d*) that in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of an insurer it *has been found* that he has been found guilty of or has knowingly participated

in or connived at any fraud, dishonesty or misrepresentation against *an* insurer or *an* assured :

Provided that the disqualification in sub-clause (d) shall, if the Superintendent so directs, cease to operate after the expiry of such period as he may determine.

(*5*) If it be found that an insurance agent suffers from any of the foregoing disqualifications, without prejudice to any other penalty to which he may be liable, the Superintendent of Insurance shall, and if the agent has knowingly contravened any provisions of this Act may, cancel the licence issued to the agent under this section.

Register of Insurance agents.

43. (*1*) Every insurer and every person *who* acting on behalf of an insurer employs licensed *insurance* agents shall maintain a register showing the name and address of every licensed insurance agent appointed by him and the date on which his appointment began and the date, if any, on which his appointment ceased.

(*2*) Any individual not holding a licence issued under section 42 who acts as an insurance agent, shall be punishable with fine which may extend to fifty rupees, and any insurer *who*, or any person acting on behalf of an insurer who, appoints as an insurance agent any individual not so licensed, or transacts any insurance business through any such individual, shall be punishable with fine which may extend to one hundred rupees.

(*3*) The provisions of sub-section (2) shall not take effect until the expiry of six months from the commencement of this Act.

Prohibition of cessation of payments of commission.

44. Notwithstanding anything to the contrary in a contract between *any* person and an insurance agent *licensed under section 42 forfeiting or stopping payment of renewal commission to such insurance agent, no such person shall in respect of life insurance business done, refuse payment to an insurance agent of commission on renewal premiums due to him under the agreement by reason only of the termination of his agreement except for fraud*:

Provided that such agent has served such person continually and exclusively for at least ten years, and provided further that, after his ceasing to act as agent, he does not directly or indirectly solicit or procure insurance business for any other person.

SPECIAL PROVISIONS OF LAW.

45. No policy of *life* insurance *effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act* shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false unless the insurer shows that such statement was on a material matter and fraudulently made by the policy-holder and that the policy-holder knew at the time of making it that the statement was false.

Policy not to be called in question on ground of mis-statement after two years.

46. The holder of a policy of insurance issued by an insurer in respect of insurance business transacted in Mysore after the commencement of this Act shall have the right, notwithstanding anything to the contrary contained in the policy or in any agreement relating thereto, to receive payment in Mysore of any sum secured thereby and to sue for any relief in respect of the policy in any Court of competent jurisdiction in Mysore; and if the suit is brought in Mysore any question of law arising in connection with any such policy shall be determined according to the law in force in Mysore.

Application of Mysore law to policies issued in respect of business in Mysore.

47. (*1*) Where in respect of any policy of life insurance maturing for payment an insurer is of opinion that by reason of conflicting claims to or insufficiency of proof of title to the amount secured thereby or for any other adequate reason it is impossible otherwise for the insurer to obtain a satisfactory discharge for the payment of such amount, the insurer shall, before the expiry of nine months from the date of the maturing of the policy, apply to pay the amount into the Court within the jurisdiction of which is situated the place at which such amount is payable under the terms of the policy or otherwise.

Payment of money into Court.

(*2*) A receipt granted by the Court for any such payment shall be a satisfactory discharge to the insurer for the payment of such amount.

(*3*) An application for permission to make a payment into Court under this section shall be made by a petition verified by an affidavit signed by a principal

officer of the insurer setting forth the following particulars, namely :—

(*a*) the name of the insured person and his address ;

(*b*) if the insured person is deceased, the date and place of his death ;

(*c*) the nature of the policy and the amount secured by it ;

(*d*) the name and address of each claimant so far as is known to the insurer with details of every notice of claim received ;

(*e*) the reasons why in the opinion of the insurer a satisfactory discharge cannot be obtained for the payment of the amount ; and

(*f*) the address at which the insurer may be served with notice of any proceeding relating to disposal of the amount paid into Court.

(*4*) An application under this section shall not be entertained by the Court if the application is made before the expiry of six months from the death of the insured, or the maturing of the policy by survival.

(*5*) If it appears to the Court that a satisfactory discharge for the payment of the amount cannot otherwise be obtained by the insurer, it shall allow the amount to be paid into Court and shall invest the amount in Government securities pending its disposal.

(*6*) The insurer shall transmit to the Court every notice of claim received after the making of the application under sub-section (3), and any payment required by the Court as costs of the proceedings or otherwise in connection with the disposal of the amount paid into Court shall as to the cost of the application under sub-section (3) be borne by the insurer and as to any other costs be in the discretion of the Court.

(*7*) The Court shall cause notice to be given to every ascertained claimant of the fact that the amount has been paid into Court, and shall cause notice at the cost of any claimant applying to withdraw the amount to be given to every other ascertained claimant.

(*8*) The Court shall decide all questions relating to the disposal of claims to the amount paid into Court.

Directors of insurers being companies.

48. (*1*) Where the insurer is a company incorporated under the Mysore Companies Act, 1938 *or under the Mysore Companies Act, 1917*, and carries on the business of life insurance, not less than one-fourth of the whole

number of the directors of the company shall be persons having the prescribed qualifications and holding policies of *life* insurance issued by the company, and shall be elected to the Board of Directors of the company in the prescribed manner by the holders of policies of *life* insurance issued by the company.

(*2*) This section shall not take effect until the expiry of one year from the commencement of this Act.

Restriction on dividends and bonuses.

49. No insurer, being an insurer specified in sub-clause (*a*) (*ii*) or sub-clause (*b*) of clause (*8*) of section 2 who carries on the business of life insurance, shall *in respect of such life insurance business* declare or pay any dividend to shareholders or any bonus to policy-holders except out of a surplus ascertained as the result of an actuarial valuation of the assets and liabilities of the insurer.

Notice of options available to the assured on the lapsing of a policy.

50. *An Insurer shall within three months of the lapsing of a policy of life insurance give notice to the policy-holder informing him of the options available to him.*

Supply of copies of proposal *and medical reports.*

51. Every insurer shall, on application by a policy-holder and on payment of a fee not exceeding one rupee, supply to the policy-holder certified copies of the questions *put to him and his answers thereto* contained in his proposal for insurance and in the medical report supplied in connection therewith.

Prohibition of business on dividing *principle.*

52. No insurer shall, *after the commencement of this Act begin, or after three years from that date continue* to carry on any business upon the dividing principle, that is to say, on the principle that the benefit secured by a policy is not fixed but depends either wholly or partly on the results of *a* distribution of certain sums amongst policies becoming claims within certain time-limits, or on the principle that the premiums payable by *a* policy holder depend wholly or partly on *the* number of policies becoming claims within certain time limits :

Provided *that* nothing in this section shall be deemed to prevent *an* insurer *from* allocating bonuses to holders of policies of life insurance as a result of *a* periodical actuarial valuation either as reversionary additions to the sums insured or as immediate cash bonuses or otherwise :

Provided further that an insurer who continues to carry on insurance business on the dividing principle after the commencement of this Act shall withhold from distribution a sum of not less than forty per cent of the premiums

received during each year after the commencement of this Act in which such business is continued so as to make up the amount required for investment under section 27.

WINDING UP.

Winding up by the Court.

53. (*1*) The Court may order the winding up in accordance with the Mysore Companies Act, 1938, of any insurance company and the provisions of that Act shall, subject to the provisions of this Chapter, apply accordingly.

(*2*) In addition to the grounds on which such an order may be based, the Court may order the winding up of an insurance company—

(*a*) if with the sanction of the Court previously obtained a petition in this behalf is presented by shareholders not less in number than one-tenth of the whole body of shareholders and holding not less than one-tenth of the whole share capital or by not less than fifty policy-holders holding policies of life insurance that have been in force for not less than three years and are of the total value of not less than fifty thousand rupees; or

(*b*) if the Superintendent of Insurance, who is hereby authorised to do so, applies in this behalf to the Court on any of the following grounds, namely:—

(*i*) that the company has failed to deposit or to keep deposited with the Comptroller the amounts required by section 7.

(*ii*) that the company having failed to comply with any requirement of this Act has continued such failure for a period of three months after notice of such failure has been conveyed to the company by the Superintendent of Insurance.

(*iii*) that it appears from the returns furnished under the provisions of this Act or from the results of any investigation made thereunder that the company is insolvent, or

(*iv*) that the continuance of the company is prejudicial to the interests of the policy-holders.

Voluntary winding up.

54. Notwithstanding anything contained in the Mysore Companies Act, 1938, an insurance company shall not be wound up voluntarily except for the purpose of effecting an amalgamation or a re-construction of the company, or on the ground that by reason of its liabilities it cannot continue its business.

55. (*1*) In the winding up of an insurance company or in the insolvency of any other insurer the value of the assets and the liabilities of the insurer shall be ascertained in such manner and upon such basis as the liquidator or receiver in insolvency thinks fit, subject, so far as applicable, to the rule contained in the Sixth Schedule and to any directions which may be given by the Court. Valuation of liabilities.

(*2*) For the purposes of any reduction by the Court of the amount of the contracts of any insurance company the value of the assets and liabilities of the company and all claims in respect of policies issued by it shall be ascertained in such manner and upon such basis as the Court thinks proper having regard to the rule aforesaid.

(*3*) The rule in the Sixth Schedule shall be of the same force and may be repealed, altered or amended as if it were a rule made in pursuance of section 246 of the Mysore Companies Act, 1938, and rules may be made under that section for the purpose of carrying into effect the provisions of this Act with respect to the winding up of insurance companies.

56. (*1*) In the winding up of an insurance company and in the insolvency of any other insurer the value of the assets and the liabilities of the insurer in respect of life insurance business shall be ascertained separately from the value of any other assets or any other liabilities of the insurer and no such assets shall be applied to the discharge of any liabilities other than those in respect of life insurance business except in so far as those assets exceed the liabilities in respect of life insurance business. Application of surplus assets of life insurance fund in liquidation or insolvency.

(*2*) In the winding up of an insurance company carrying on the business of life insurance or in the insolvency of any other insurer carrying on such business where any proportion of the profits of the insurer was before the commencement of the winding up or insolvency allocated to policy-holders, if, when the assets and liabilities of the insurer have been ascertained, there is found to be a surplus of assets over liabilities (hereinafter referred to as a *prima facie* surplus) there shall be added to the liabilities of the insurer in respect of the life insurance business an amount equal to such proportion of the *prima facie* surplus as is equivalent to such proportion of the profits allocated to shareholders and policy-holders as was allocated to policy-holders during the ten years immediately preceding the commencement of the winding up and the assets of the insurer shall be deemed to exceed

his liabilities only in so far as those assets exceed those liabilities after such addition:—

Provided that—

(*a*) If in any case there has been no such allocation or if it appears to the Court that by reason of special circumstances it would be inequitable that the amount to be added to the liabilities of the insurer in respect of the life insurance business should be an amount equal to such proportion as aforesaid, the amount to be so added shall be such amount as the Court may direct, and

(*b*) for the purpose of the application of this sub-section to any case where before the commencement of the winding up or insolvency a proportion of such profits as aforesaid of a branch only of the life insurance business in question has been allocated to *policy-holders*, the value of the assets and liabilities of the insurer in respect of that branch shall be separately ascertained in like manner as the value of his assets and liabilities in respect of the life insurance business was ascertained, and the surplus so found, if any, of assets over liabilities shall, for the purpose of determining the amount to be added to the liabilities of the insurer in respect of the life insurance business be deemed to be the *prima facie* surplus.

Winding up of secondary companies.

57. (*1*) Where the insurance business or any part of the insurance business of an insurance company has been transferred to another insurance company under an arrangement in pursuance of which the first mentioned company (in this section referred to as the secondary company) or the creditors thereof has or have claims against the company to which such transfer was made (in this section referred to as the principal company) then, if the principal company is being wound up by or under the supervision of the Court, the Court shall (subject as hereinafter mentioned) order the secondary company to be wound up in conjunction with the principal company and may, by the same or any subsequent order, appoint the same person to be liquidator for the two companies and make provision for such other matters as may seem to the Court necessary with a view to the companies being wound up as if they were one company.

(2) The commencement of winding up of the principal company shall, save as otherwise ordered by the Court, be the commencement of the winding up of the secondary company.

(3) In adjusting the rights and liabilities of the members of the several companies among themselves, the Court shall have regard to the constitution of the companies and to the arrangements entered into between the companies in the same manner as the Court has regard to the rights and liabilities of different classes of contributories in the case of the winding up of a single company or as near thereto as circumstances admit.

(4) Where any company alleged to be secondary is not in process of being wound up at the same time as the principal company to which it is alleged to be secondary, the Court shall not direct the secondary company to be wound up, unless, after hearing all objections (if any) that may be urged by or on behalf of the company against its being wound up, the Court is of opinion that the company is secondary to the principal company and that the winding up of the company in conjunction with the principal company is just and equitable.

(5) An application may be made in relation to the winding up of any secondary company in conjunction with the principal company by any creditor of, or person interested in, the principal or secondary company.

(6) Where a company stands in the relation of a principal company to one insurance company and in the relation of a secondary company to some other insurance company or where there are several insurance companies standing in the relation of secondary companies to one principal company, the Court may deal with any number of such companies together or in separate groups as it thinks most expedient upon the principles laid down in this section.

Schemes for partial winding up of insurance companies.

58. (1) If at any time it appears expedient that the affairs of an insurance company in respect of any class of business comprised in the undertaking of the company should be wound up but that any other class of business comprised in the undertaking should continue to be carried on by the company or be transferred to another insurer, a scheme for such purposes may be prepared and submitted for confirmation of the Court in accordance with the provisions of this Act.

(2) Any scheme prepared under this section shall provide for the allocation and distribution of the assets

and liabilities of the company between any classes of business affected (including the allocation of any surplus assets which may arise on the proposed winding up), for any future rights of every class of policy-holders in respect of their policies and for the manner of winding up any of the affairs of the company which are proposed to be wound up and may contain provisions for altering the memorandum of the company with respect to its objects and such further provisions as may be expedient for giving effect to the scheme.

(*3*) The provisions of this Act relating to the valuation of liabilities of insurers in liquidation and insolvency and to the application of surplus assets of the life insurance fund in liquidation or insolvency shall apply to the winding up of any part of the affairs of a company in accordance with the scheme under this section in like manner as they apply in the winding up of an insurance company, and any scheme under this section may apply with the necessary modifications any of the provisions of the Mysore Companies Act, 1938, relating to the winding up of companies.

(*4*) An order of the Court confirming a scheme under this section whereby the memorandum of a company is altered with respect to its object shall, as respects the alteration, have effect as if it were an order confirmed under section 12 of the Mysore Companies Act, 1938, and the provisions of sections 15 and 16 of that Act shall apply accordingly.

Return of deposits.

59. In the winding up of an insurance company and in the insolvency of any other insurer the liquidator or assignee as the case may be shall apply to the Court for an order for the return of the deposit made by the company under section 7 and the Court shall, on such application, order a return of the deposit subject to such terms and conditions as it shall direct.

Notice of policy values.

60. In the winding up of an insurance company *for the purposes of a cash distribution of the assets* and in the insolvency of any other insurer, the liquidator or assignee as the case may be in the case of all persons appearing by the books of the company *or other insurer* to be entitled to or interested in the policies granted by the company *or other insurer* shall ascertain the value of the liability of the company *or other insurer* to each such person and shall give notice of such value to those persons in such manner as the Court may direct and any person to whom

notice is so given shall be bound by the value so ascertained unless he gives notice of his intention to dispute such value in such manner and within such time as may be specified by a rule or order of the Court.

Power of Court to reduce contracts of insurance.

61. (*1*) Where an insurance company is in liquidation or any other insurer is insolvent, the Court may make an order reducing the amount of the insurance contracts of the company or other insurer upon such terms and subject to such conditions as the Court thinks just.

(*2*) Where a company carrying on the business of life insurance has been proved to be insolvent, the Court may if it thinks fit, in place of making a winding up order reduce the amount of the insurance contracts of the company upon such terms and subject to such conditions as the Court thinks fit.

(*3*) Application for an order under this section may be made either by the liquidator or by or on behalf of the company or by a policy-holder, or by the Superintendent of Insurance and the Superintendent of Insurance and any person whom the Court thinks likely to be affected shall be entitled to be heard on any such application.

Special Provisions Relating to External Companies.

Power of Government to impose reciprocal disabilities on non-Mysore companies.

62. Where, by the law or practice of any country outside Mysore in which an insurer carrying on insurance business in Mysore is constituted, incorporated or domiciled, insurance companies incorporated in Mysore are required as a condition of carrying on insurance business in that country to comply with any special requirement whether as to the keeping of deposits or assets in that country or otherwise which is not imposed upon insurers of that country under this Act, the Government *may* if satisfied of the existence of such special requirement, direct *by notification in the official Gazette* that the same requirement, or requirements as similar thereto as may be, shall be imposed upon insurers of that country as a condition of carrying on the business of insurance in Mysore.

Particulars to be *filed* by insurers established outside Mysore.

63. Every insurer, having his principal place of business or domicile outside Mysore, who establishes a place of business within Mysore, or appoints a representative in Mysore with the object of obtaining insurance

business shall, within three months from the establishment of such place of business or the appointment of such agent, file with the Superintendent of Insurance—

(*a*) a certified copy of the charter, statutes, deed of settlement or memorandum and articles or other instrument constituting or defining the constitution of the insurer, and, if the instrument is not written in the English language, a certified translation thereof,

(*b*) a list of the directors, if the insurer is a company,

(*c*) the name and address of some one or more persons resident in Mysore authorized to accept on behalf of the insurer service of process and any notice required to be served on the insurer, together with a copy of the power of attorney granted to him,

(*d*) the full address of the principal office of the insurer in Mysore,

(*e*) a statement of the classes of insurance business to be carried on by the insurer, and

(*f*) a statement verified by an affidavit setting forth the special requirements, if any, of the nature specified in section 62 imposed in the country of origin of the insurer on Mysore insurers,

and, in the event of any alteration being made in the address of the principal office or in the classes of business to be carried on, or in any instrument here referred to, or in the name of any of the persons here referred to, or in the matters specified in *clause* (*f*) above, the company shall forthwith furnish to the Superintendent of Insurance particulars of such alteration.

Books to be kept by insurers established outside Mysore.

64. Every insurer having his principal place of business or domicile outside Mysore shall keep at his principal office in Mysore such books of account, registers and documents as will enable the accounts, statements and abstracts which he is required under this Act to furnish to the Superintendent of Insurance in respect of the insurance business transacted by him in Mysore to be compiled and, if necessary, checked by the Superintendent of Insurance.

PART III.

PROVIDENT SOCIETIES.

Definition of "provident society."

65. In this Part "provident society" means a person who, or a body of persons whether corporate or incorporate which, receives premiums or contributions for securing annuities on human life or receives premiums or contributions for insuring money to be paid on the happening of any of the following contingencies, namely :—

(*a*) the birth, marriage, death of any person *or* the survival by a person of a stated age or contingency ;
(*b*) failure of issue ;
(*c*) the occurrence of a social, religious or other ceremonial occasion ;
(*d*) loss of or retirement from employment ;
(*e*) disablement in consequence of sickness or accident ;
(*f*) the necessity of providing for the education of a dependant ; and
(*g*) any other contingency which may be prescribed or *which may be* authorised by the Government.

Application of this Part.

66. Nothing in this Part shall apply to a provident society which pays or undertakes to pay on any policy of insurance an annuity exceeding fifty rupees or a gross sum exceeding five hundred rupees exclusive of any profit or bonus :

Provided that for the purposes of this section contracts entered into before the commencement of this Act shall not be taken into consideration and provided further that "policy" includes a series of policies covering one or more of the contingencies specified in section 65.

Name.

67. *No provident society established after the commencement of this Act shall adopt as its name, and no provident society established before the commencement of this Act shall continue after the expiry of six months from the commencement thereof to use as its name, any combination of words which fails to include the word "provident" or which includes the word "life."*

Insurable interest.

68. No provident society shall receive any premium or contribution for insuring money to be paid to any person

other than the person paying such premium or contribution or the wife, husband, child, grandchild, parent, *grand parent*, brother, sister, nephew or niece of such a person.

Dividing business.

69. (*1*) No provident society shall carry on any business upon the dividing principle, that is to say, on the principle that the benefit secured by a policy is not fixed but depends either wholly or partly on the results of a distribution, amongst policies maturing for payment within certain time limits, of certain sums.

(*2*) *The Superintendent of Insurance shall, as soon as possible, take steps to have any provident society which carries on business on the dividing principle wound up* :

Provided that, where any such provident society in existence at the commencement of this Act applies within three months of such commencement to the Superintendent of Insurance for permission to continue carrying on its business with a view meanwhile to re-organize its business in accordance with the provisions of this Act, the Superintendent of Insurance may at his discretion, with due regard to the past history of the society, permit the society to continue business for a period not exceeding two years from the date of receipt of such permission, so however, that no new business on the dividing principle is undertaken by the society.

Registration.

70. (*1*) No provident society shall receive any premium or contribution until it has obtained from the Superintendent of Insurance a certificate of registration.

(*2*) Every application for registration shall be accompanied by—

(*a*) a certified copy of the rules of the society, and when the society is a company incorporated under the Mysore Companies Act, 1938, *or under the Mysore Companies Act, 1917*, a certified copy of the Memorandum and Articles of Association or where the society is not such a company a certified copy of the deed of constitution of the society ;

(*b*) the names and the addresses of the proprietors or directors, and the managers of the society ;

(*c*) a certificate from the Comptroller that the initial deposit referred to in section 73 has been made ; and

(*d*) a declaration verified by an affidavit that the minimum working capital required by section 72 is available.

(3) The Superintendent of Insurance may refuse to issue a certificate of registration until he is satisfied that the rules of the society comply with the provisions of this Act and that the minimum working capital required by section 72 is available, but if he is so satisfied he shall register the society and its rules.

(4) The Superintendent of Insurance may, after giving previous notice in writing in such manner as he thinks fit specifying the grounds for the proposed cancellation, and allowing the society concerned an opportunity of being heard, apply to the Court and obtain sanction for cancellation of the registration made under this section, —

(a) if he is satisfied as the result of an inquiry made under section 87—

(i) that the society is insolvent or is likely to become so, or

(ii) that the business of the society is conducted fraudulently or *is not conducted* in accordance with the rules thereof, or that it is in the interests of the policy-holders that the society should cease to carry on business,

(b) if *any of the* deposits required by section 73 has not been made, or

(c) if the society, having failed to comply with any requirement of this Act, has continued such failure for a period of one month after notice of such failure has been conveyed to the society by the Superintendent of Insurance:

Provided that the Superintendent of Insurance may, if he thinks fit, instead of applying for cancellation of the registration under sub-clause (*i*) of clause (*a*) of this sub-section make a recommendation to the Court that the contracts of the society should be reduced in such manner and subject to such conditions as he may indicate.

Prohibition of managing agents.

71. *The provisions of section 32 shall apply to provident societies as they apply to insurers.*

Working capital.

72. No provident society *established after the commencement of this Act* shall be registered unless it has a paid up capital sufficient to provide as working capital a net sum of not less than five thousand rupees exclusive of deposits made under this Act and exclusive in the case of a company of any expenses incurred in connection with the formation of the company.

Deposits.

73. (*1*) Every provident society shall, *if established Deposits before the commencement of this Act within one year*

from such commencement, or, if established after the commencement of this Act before the society applies for registration under section 70, deposit and keep deposited with the Comptroller for and on behalf of the Government, cash or approved securities amounting at the market value of the securities on the date of deposit to five thousand rupees, and shall thereafter make each year a further deposit amounting to not less than one-fifth of the gross premium income for the year (including admission fees and other fees received by the society) until the total amount so deposited and kept is fifty thousand rupees.

(*2*) The provisions of sub-sections (*8*), (*9*) and (*10*) of section 7 and of sub-section (*1*) of section 8 shall apply to the deposits made under this section as they apply to deposits made by an insurer.

Rules.

74. Every provident society *established after the commencement of this Act* shall, in its rules, set forth—

(*a*) the name, the object and the location of the registered office of the society;

(*b*) the contingencies or classes of contingency on the happening of which money is to be paid;

(*c*) the conditions to be complied with before, and the payments to be made on, admission to the society;

(*d*) the rates of premium or contribution, and the periods for which or the times at which premiums or contributions are payable;

(*e*) the maximum amount payable to a subscriber or policy-holder;

(*f*) the nature and amounts of the benefits provided for by the society;

(*g*) the circumstances in which a bonus may be paid to a policy-holder;

(*h*) the nature of the evidence required for the proof of the happening of any contingency on which money is to be paid;

(*i*) the circumstances in which policies may be forfeited or renewed or the whole or a part of the premiums *paid* on a policy may be returned, or a surrender value of a policy may be granted;

(*j*) the penalties for delay in paying or failure to pay premiums or contributions;

(*k*) the proportion of the annual income of the society which may be disbursed on and the

provisions to be made for meeting the expenses of the management of the society;

(*l*) the person or persons who or the authority which shall have power to invest the funds of the society;

(*m*) the provisions for appointment of auditors and their remuneration;

(*n*) the procedure to be adopted in altering the rules of the society;

(*o*) unless these are provided for in the articles of association of a society which is a company incorporated under the Mysore Companies Act, 1938, *or under the Mysore Companies Act, 1917.*—

(i) the mode of appointment and removal, the qualification and the powers of a director, manager, secretary or other officer of the society;

(ii) the manner of raising additional capital; and

(iii) the provisions for the holding of general meetings of the members and policy-holders and for the powers to be exercised and the procedure to be followed thereat; and

(*p*) such other matters as may be prescribed.

Amendment of rules.

75. (*1*) No amendment of any rule of a provident society shall be valid until it has been sent to the Superintendent of Insurance and has been registered by him.

(*2*) The Superintendent of Insurance on being satisfied that the proposed amendment is not contrary to the provisions of this Act shall, unless he is of opinion that the amendment unfairly affects the rights of existing members or policy holders of the society, issue to the society an acknowledgment of the registration of the amended rule.

Supply of copy of rules.

76. Every provident society shall on demand deliver free of cost to any member of the society a copy of the rules of the society and to any person other than a member a copy of such rules on the payment of a sum not exceeding one rupee.

Registered office.

77. Every provident society shall have an office (on the outside of which it shall keep displayed its name in a conspicuous position in legible characters) to which all communications and notices may be addressed, and shall give notice to the Superintendent of Insurance of any change in the location thereof within *twenty-eight* days of its occurrence.

Publication of authorised capital to contain also subscribed and paid-up capital.

78. Where any notice, advertisement or other official publication of a provident society contains a statement of the amount of the authorised capital of the society, the publication shall also contain a statement of the amount of the capital which has been subscribed and the amount paid up.

Registers and books.

79. Every provident society shall keep at its registered office—

(*a*) a register of members in which shall be entered the name *and* address, and occupation, if any, of every proprietor, director, manager or secretary and of every member of the society;

(*b*) a register or record of policies in which shall be entered in respect of every policy issued by the society, the name and address of the policy-holder, the date when the policy was effected and a record of any transfer, assignment or nomination of which the society has notice;

(*c*) a register of claims in which shall be entered every claim made, together with the date of the claim, the name and address of the claimant and the date on which the claim is discharged or in the case of a claim which is rejected, the date of rejection and the grounds therefor;

(*d*) a register of agents in which shall be entered the name and address of every agent employed by the society;

(*e*) a cash book in which shall be entered separately for each class of contingency separately specified in section 65 all sums received and expended by the society and the matters in respect of which the receipt or expenditure takes place;

(*f*) *a journal*; *and*

(*g*) *a ledger.*

Revenue account, balance-sheet and annual statements.

80. (*1*) Every provident society shall, at the expiry of the calendar year, prepare a revenue account and balance-sheet in the prescribed form verified in the prescribed manner, together with a report on the general state of the society's affairs and shall cause the revenue account and balance-sheet to be audited by an auditor and the auditor shall so far as may be in the audit of a provident society have the powers of, exercise the function vested in, and

discharge the duties and be subject to the liabilities imposed on, an auditor of companies by section 145 of the Mysore Companies Act, 1938.

(2) Every provident society shall at the expiry of the calendar year, prepare with respect to that year—

(a) a statement showing separately for each class of contingency separately specified in section 65—

(i) the number of new policies effected, the total amount insured thereby and the total premium income received in respect thereof and the number of existing policies discontinued during the year with the total amount insured thereby, and

(ii) the total amount of claims made and the total amount paid in satisfaction thereof;

(b) a statement showing details of every insurance effected on a life other than the life of the person insuring, and

(c) a statement showing the total amount paid as allowances to agents and canvassers.

Actuarial report and abstract.

81. (1) Every provident society shall, once in every five years, or at such shorter intervals as may be laid down by the rules of the society, cause an investigation to be made into its financial condition including the valuation of its liabilities and assets by an actuary.

(2) The report of the actuary shall contain an abstract in which shall be stated—

(a) the general principles adopted in the valuation, including the method by which the valuation age of lives was ascertained,

(b) the rate at each age of the mortality and any other factor assumed and the annuity values used in valuation,

(c) the reserve values held against policies effected,

(d) the rate of interest assumed, and

(e) the provision made for expenses,

and shall have appended to it a certificate signed by a principal officer of the society that all material necessary for proper valuation has been placed at the disposal of the actuary and that full and accurate particulars of every policy under which there is a liability either actual or contingent have been furnished to the actuary for the purpose of the investigation.

(3) If the actuary finds that the financial condition of the society is such that no surplus exists for distribution

as bonus to the policy-holders or as dividend to the shareholders, he shall state in his report whether in his opinion the society is insolvent and, if so, whether it should be wound up or not, and the extent to which, in his opinion, existing contracts should be modified or existing rates of premium should be adjusted to make good the deficiency in the assets.

Submission of returns to Superintendent of Insurance.

82. (*1*) The revenue account and balance-sheet with the auditor's report thereon and the report on the general state of the society's affairs referred to in sub-section (1) of section *80*, and the statements referred to in sub-section (2) of section *80*, shall be furnished as returns to the Superintendent of Insurance within three months from the end of the period to which they relate and copies of the revenue account and balance-sheet and the auditor's report thereon and of the report on the general state of the society's affairs shall, on the application of any member or policy-holder made within two years from the date on which the document was so furnished, be sent to him within fourteen days from the receipt of the application on payment of a fee of one rupee.

(*2*) All the material necessary for the proper valuation of the liabilities of the society under the provisions of section *81* shall be placed at the disposal of the actuary within three months from the end of the period to which such material relates, and the report and abstract referred to in section *81* shall be furnished as a return to the Superintendent of Insurance within a further period of three months.

(*3*) The provisions of section 17 shall apply to the accounts and balance-sheet of a provident society being a company incorporated under the Mysore Companies Act, *1938, or under the Mysore Companies Act, 1917*, as they apply to the accounts and balance-sheet of an insurer.

Actuarial examination of schemes.

83. (*1*) Every provident society, *established after the commencement of this Act*, shall cause every scheme of insurance which it proposes to put into operation, *and every provident society registered before the commencement of this Act under the Mysore Companies Act, 1938, or under the Mysore Companies Act, 1917, shall cause any new scheme which it proposes to put into operation after such commencement* to be examined by an actuary, and shall not receive any premium or contribution in connection with the scheme until the actuary has certified that

the scheme is sound and such certificate has been forwarded to the Superintendent of Insurance.

(2) The provisions of sub-section (1) shall apply to any alteration of a scheme already in operation, but the Superintendent of Insurance may, if he is of opinion that the alteration unfairly affects the interests of existing policy-holders, prohibit the alteration, and, if he does so, the society shall not put the altered scheme into operation, unless it first discharges to the satisfaction of the Superintendent of Insurance all its liabilities to those of the existing policy-holders who dissent from the alteration.

(3) *Every provident society registered before the commencement of this Act, under the provisions of the Mysore Companies Act, 1917, shall, as soon as may be and in any event before the expiry of six months from the commencement of this Act, submit all schemes of insurance which the society has in operation at the commencement of the Act to examination by an actuary and shall send the report of the actuary thereon to the Superintendent of Insurance.*

(4) The report of the actuary shall state in respect of each scheme whether it is actuarially sound, and, where no actuarial report such as is referred to in section 81 has been made within the two years preceding the examination, the report shall also state whether the assets of the society are sufficient to meet its liabilities under the existing schemes, and, if not, how in the opinion of the actuary the existing contracts should be modified.

(5) If any scheme is reported by the actuary to be actuarially unsound, the Superintendent of Insurance shall give notice to the society prohibiting the operation of the scheme; and the society shall not receive any premium or contribution or effect any policy in connection with the scheme after the expiry of one month from the receipt of such notice.

(6) Where a scheme is discontinued under the provisions of sub-section (5), the society shall, where its assets are sufficient to meet all existing liabilities, set apart out of its assets the sum sufficient, in the opinion of the actuary, to meet the liabilities incurred under the scheme so discontinued, and, where its assets are not so sufficient, within three months from the date of the discontinuance, apply to the Court for a modification of its existing contracts or failing such modification for the winding up of the society.

Separation of accounts and funds.

84. Where a provident society effects policies of insurance in connection with more than one of the classes of contingency separately specified in section 65, the receipts and payments in respect of each such class shall be recorded in a separate account in the cash book kept in accordance with section 79.

Investment of funds.

85. (*1*) Every provident society shall, unless it already holds invested in Government or other approved securities not less than fifty per cent of the total assets of the society, invest all surplus assets in such securities until the total amount so invested amounts to not less than fifty per cent of the total assets of the society, and shall thereafter keep invested in such securities not less than fifty per cent of the total assets of the society.

(*2*) No funds or investments of a provident society *except a deposit made under section 73* shall be kept otherwise than in the name of the society.

(*3*) No loan shall be made out of the assets of a provident society to any director or officer of the society except on the security of a policy of insurance held in the society and *within its surrender value and* no such loan shall be made to any concern of which a director or officer of the society is a director or partner.

(*4*) Any director or officer of a society which contravenes the provisions of sub-section (3), who is knowingly a party to the contravention, shall without prejudice to any other penalty which he may incur be jointly and severally liable to the society for the amount of the loan, and such amount, together with interest from the date of the loan at such rate not exceeding twelve per cent per annum as the Superintendent of Insurance may fix shall, on application by the Superintendent of Insurance to any civil Court of competent jurisdiction be recoverable by execution as if a decree for such amount had been passed by that Court.

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Inspection of books.

86. The books of every provident society shall, at all reasonable times, be open to inspection by the Superintendent of Insurance or any person appointed by him in this behalf or by any member or policy-holder of the society who has made an application in this behalf to the Superintendent of Insurance.

Inquiry by or on behalf of Superintendent of Insurance.

87. (*1*) The Superintendent of Insurance shall at least *once* in *two* years and may, if he thinks fit, at any time visit *personally or depute a suitable person to visit*

the principal office of a provident society and inquire into the solvency of the society and the manner in which the business of the society is conducted, or may, after giving notice to the society and giving it an opportunity to be heard, direct such an inquiry to be made by an auditor or actuary appointed by him.

(*2*) For the purposes of any such inquiry, the Superintendent or the auditor or actuary, as the case may be, shall be entitled to examine all books and documents of the society and may demand from the society or any officer of the society such explanations as he may require on any matter relating to the affairs of the society.

(*3*) The results of any such inquiry shall be recorded in a report which shall be kept in the office of the Superintendent and *a copy of the report* shall be sent to the society concerned and shall be open to inspection by any member or policy-holder of the society.

Winding up by Court and voluntary winding up.

88. (*1*) The Court may order the winding up of a provident society being a company incorporated under the Mysore Companies Act, 1938, *or under the Mysore Companies Act, 1917*, and the provisions of *the Mysore Companies Act, 1938*, shall, subject to the provisions of this Part apply accordingly.

(*2*) In addition to the grounds on which such an order may be based, the Court may order the winding up of a provident society, if the registration of the society is cancelled by the Superintendent of Insurance under sub-section (4) of section 70 and he applies for the winding up of the society.

(*3*) A provident society being a company incorporated under the Mysore Companies Act, 1938 *or under the Mysore Companies Act, 1917*, may be wound up voluntarily in accordance with the provisions of *the Mysore Companies Act, 1938*, but shall not be so wound up except for the purpose of effecting an amalgamation or re-construction of the society or on the ground that by reason of its liabilities it cannot continue its business.

(*4*) A provident society not being a company incorporated under the Mysore Companies Act, *1938, or under the Mysore Companies Act, 1917*, may be wound up voluntarily under this Act, if a resolution is passed by the proprietors that the society should be wound up voluntarily for the purpose or on the ground specified in sub-section (3), and the Superintendent of Insurance may, in any case where he has ordered the cancellation of the

registration of a society under sub-section (4) of section 70, order the winding up of the society under this Act.

Reduction of Insurance contracts.

89. The Court may make an order reducing the amount of the insurance contracts of a provident society upon such terms and subject to such conditions as the Court thinks just—

(*a*) if the Superintendent of Insurance, as an alternative to cancelling the registration of a society under sub-section (4) of section 70 applies to the Court in this behalf;

(*b*) if while a society is in liquidation the Court thinks fit;

(*c*) if when a society has been proved to be insolvent the Court thinks fit to do so in place of making an order for the winding up of the society; or

(*d*) if the Court is satisfied on an application made in this behalf by the society supported by the report of an actuary, and after giving the policy-holders an opportunity to be heard that it is desirable to do so.

Appointment of liquidator.

90. (*1*) Where a provident society is to be wound up whether under the Mysore Companies Act, *1938*, or under this Act, the society shall, within seven days from the date of the order of the Court ordering the winding up or the passing of the resolution authorising the winding up, as the case may be, give notice thereof to the Superintendent of Insurance, and, except where the winding up is done by an order of the Court the Superintendent of Insurance shall appoint the liquidator and shall determine the remuneration to be paid to him.

(*2*) Any liquidator so appointed may be removed by the Superintendent of Insurance if satisfied that the duties entrusted to him are not being properly discharged.

Powers of liquidator.

91. (*1*) A liquidator appointed to wind up a society shall have power—

(*a*) to institute or defend any legal proceedings on behalf of the society by his name of office;

(*b*) to determine the contribution to be made by members of the society respectively to the assets of the society;

(*c*) to investigate all claims against the society and to decide questions of priority arising between claimants;

(*d*) to determine by what persons and in what proportion the costs of the liquidation are to be borne;

(*e*) to give such directions in regard to the collection and distribution of the assets of the society as may appear to him to be necessary for winding up the affairs of the society;

(*f*) to summon, and enforce the attendance of, witnesses and to compel the production of documents by the same means and as far as may be in the same manner as is provided in the case of a civil Court by the Code of Civil Procedure, 1911; and

(*g*) with the sanction of the Superintendent of Insurance, to employ such establishment and to obtain such assistance from an actuary or an auditor as may be necessary for the discharge of his duties.

(*2*) The liquidator shall, for settling the list of contributories and realising the amount of contributions, have the same powers as an official liquidator appointed by the Court for the winding up of a company under the Mysore Companies Act, *1938*.

Procedure at liquidation.

92. (*1*) As soon as a liquidator is appointed to wind up a society he shall take charge of all property movable or immovable of the society and of all its books and documents.

(*2*) If any proprietor or officer of the society or any other person retains any portion of the assets of the society or fails to deliver to the liquidator any book or document when so required by the liquidator, he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five hundred rupees, or with both, and the Court may order the delivery of the assets or book or document to the liquidator.

(*3*) The liquidator shall within fifteen days of his appointment send notice by post to all persons who appear to him to be creditors of the society that a meeting of the creditors of the society will be held on a date not being less than twenty-one nor more than twenty-eight days after his appointment, and at a place and hour to be specified in the notice, and shall also advertise notice of the meeting once in the official Gazette and once at least in two newspapers circulating in Mysore.

(*4*) At the meeting so held the creditors shall determine whether an application shall be made for the appointment of any person as liquidator in the place of or jointly with the liquidator already appointed, or for the appointment of a committee of inspection, and, if they so resolve and an application accordingly is made at any time not later than fourteen days after the date of the meeting by any creditor appointed for the purpose at the meeting, the Superintendent of Insurance shall appoint a suitable person *in place of or* jointly with the liquidator already appointed, and, if so desired, a committee of inspection.

(*5*) The committee of inspection shall, subject to any prescribed conditions, have a general power of supervision over the acts of the liquidator and shall have the right to inspect his accounts at all reasonable times.

(*6*) The liquidator shall, with such assistance from an actuary as may be required, ascertain as soon as practicable the amount of the society's liability to every person appearing by the society's books to be entitled to or interested in any policy issued by the society, and shall give notice of the amount so found to each such person in the prescribed manner and each such person on receiving such notice shall be bound by the value so ascertained.

(*7*) The liquidator shall make a valuation of the assets of the society and an estimate of the costs of the winding up, and shall on the basis of these settle the list of contributories.

(*8*) The liquidator shall apply to the Superintendent of Insurance for an order for the return of the deposit made by the society under section *73* and the Superintendent of Insurance shall on such application order the return of the deposit subject to such terms and conditions as he may think fit.

(*9*) In administering and distributing the assets of the society the liquidator shall have regard to any directions that may be given by the creditors or contributories at a general meeting or by the Superintendent of Insurance.

(*10*) The liquidator shall keep books of account in which he shall record the proceedings at all meetings attended by him, all amounts received or expended by him and any other matter that may be prescribed, and these books may, with the sanction of the Superintendent of Insurance, be inspected by any creditor or contributory.

(*11*) If the winding up continues for more than a year, the liquidator shall summon a meeting of the creditors and contributories at the end of the first year and of each succeeding year, and shall lay before them an account of his acts and dealings and of the conduct of the winding up, and that account together with any views expressed thereon by the meeting shall be forwarded by the liquidator to the Superintendent of Insurance.

(*12*) So far as is not otherwise provided herein or is not otherwise prescribed under this Act, the liquidator shall so far as practicable follow the procedure to be followed by an official liquidator appointed by the Court for the winding up of a company under the Mysore Companies Act, *1938*.

Dissolution of provident society.

93. (1) As soon as the affairs of a provident society are fully wound up, the liquidator shall prepare an account of the winding up showing how the winding up has been conducted and the property of the society has been disposed of and shall call a meeting of the members, creditors and contributories for the purpose of laying before it the account and giving any explanation thereof.

(*2*) Notice of the meeting shall be sent to each person individually and shall be advertised in the official Gazette and in at least two newspapers circulating in Mysore.

(*3*) Within one week after the meeting the liquidator shall send to the Superintendent of Insurance a copy of the account and shall report to him the holding of the meeting and its date and shall forward to him a copy of the proceedings of the meeting.

(*4*) The Superintendent of Insurance may return the account to the liquidator if it is incomplete or unsatisfactory and may require the liquidator to carry out any further steps necessary to complete the winding up and the liquidator shall comply with such requirement and shall submit a further report to the Superintendent of Insurance within six months.

(*5*) If the Superintendent of Insurance is satisfied that the affairs of the society have been fully wound up he shall register the account of the liquidator who shall forthwith make over to the Superintendent of Insurance sums, if any, remaining undisposed of; and on the expiry of three months from the registering of the account the Superintendent of Insurance shall declare the society dissolved and cause the dissolution of the society to be

notified in the official Gazette, and the liquidator shall thereupon be discharged from further responsibility.

(6) If within a period of five years from the date on which any sums have been made over to the Superintendent of Insurance under sub-section (5) an order of a Court of competent jurisdiction has not been obtained at the instance of any claimant to such sums for their disposal, the said sums shall become the property of Government.

Nominations and assignments.

94. (1) The provisions of section 38 and section 39 relating to assignment, transfer and nomination in the case of life insurance policies shall, subject to the provisions of this section, apply to policies of insurance issued by any provident society covering any of the contingencies specified in clause (a) or clause (b) of section 65.

(2) No nomination shall be valid if the person nominated is not the husband, wife, father, mother, *grandparent*, child, grandchild, brother, sister, nephew or niece of the holder of the policy.

PART IV.

MUTUAL INSURANCE COMPANIES AND CO-OPERATIVE LIFE INSURANCE SOCIETIES.

Definitions.

95. (1) In this Part—

(a) "Mutual Insurance Company" means an insurer, being a company incorporated under the provisions of the Mysore Companies Act, 1938 *or under the Mysore Companies Act, 1917*, which has no share capital and of which, by its constitution, only and all policy-holders are members; and

(b) "Co-operative Life Insurance Society" means an insurer, being a society registered under the Co-operative Societies Act, 1918, which has no share capital on which dividend or bonus is payable and of which, by its constitution, only *original members on whose application the society is registered* and all policy-holders are members:

Provided that any Co-operative Life Insurance Society in existence at the commencement of this Act shall be allowed a period of one year to comply with the provisions of this Act.

(2) *Notwithstanding anything contained in sub-section* (1), *other Co-operative Societies may be admitted as members of a Co-operative Life Insurance Society, without being eligible to any dividend, profit or bonus.*

(3) The Government may empower the Registrar of Co-operative Societies to register Co-operative Societies for *the* insurance of cattle or crops or both under the provisions of the Co-operative Societies Act in force.

(4) The Government may make rules to govern such societies, and the provisions of this Act, in so far as they are inconsistent with those rules, shall not apply to such societies.

Application of Act to Mutual Insurance Companies and Co-operative *Life* Insurance Societies.

96. The provisions of sections 6 and 7 and of sub-section (2) of section 20, so far as those provisions are inconsistent with the provisions of this Part, shall not apply, and the provisions of this Part shall apply, to Mutual Insurance Companies and Co-operative Life Insurance Societies.

Working Capital of Mutual Insurance Companies and Co-operative *Life* Insurance Societies.

97. No Mutual Insurance Company incorporated after the 31st day of December, 1937, and no Co-operative Life Insurance Society registered after that date under the Co-operative Societies Act, 1918, shall be registered under this Act, unless it has as working capital a sum of fifteen thousand rupees, exclusive of the deposits to be made before or at the time of application for registration in accordance with sub-section (2) of section 98 of this Act and of the preliminary expenses, if any, incurred in the formation of the company or society.

Deposits to be made by Mutual Insurance Companies and Co-operative Life Insurance Societies.

98. (1) Every Mutual Insurance Company and every Co-operative Life Insurance Society shall, in respect of the life insurance business carried on by it in Mysore, deposit and keep deposited with the Comptroller, for and on behalf of the Government, a sum of two hundred thousand rupees in cash or in approved securities estimated at the market value of the securities on the day of deposit.

(2) The deposit referred to in sub-section (1) may be made in instalments, of which the first shall be a payment, made before or at the time the application for registration under this Act is made, of fifteen thousand rupees, and the subsequent instalments shall be annual instalments made before the expiry of each subsequent year of an amount in cash or in approved securities estimated at the market value of the securities on the day

of payment of the instalment, equal to one-third of the gross premium income received in the previous year.

Transferees and assignees of policies not to become members.

99. No transferee or assignee of a policy issued by an insurer to whom this Part applies shall become a member of a Mutual Insurance Company or a Co-operative Life Insurance Society merely by reason of any such transfer or assignment.

Publication of notices and documents of Mutual Insurance Companies *and Co-operative Life Insurance Societies.*

100. Notwithstanding the provisions of section 79 and section 131 of the Mysore Companies Act, 1938, a Mutual Insurance Company *or a Co-operative Life Insurance Society* may, instead of sending the notices and the copies of the balance-sheet, revenue account and other documents which they are required to send to the members under those sections, publish such notices or documents in a newspaper *or* newspapers published in *one of the principal languages of the State circulating therein.*

Supply of documents to members.

101. Every Mutual Insurance Company and Co-operative Life Insurance Society shall, on the application of any member made within two years from the date on which any such document is furnished to the Registrar of Companies under the provisions of section 134 of the Mysore Companies Act, 1938, or to the Registrar of Co-operative Societies, *by whom the Co-operative life Insurance Society is registered,* furnish a copy of the document free of cost to the member within fourteen days of the application.

PART V.

MISCELLANEOUS.

Penalty for default in complying with, or act in contravention of this Act.

102. (*1*) Except as otherwise provided in this Act, any insurer who makes default in complying with or acts in contravention of any requirement of this Act, and where the insurer is a company, any director, managing agent, manager or other officer of the company, or where the insurer is a firm, any partner of the firm who is knowingly a party to the default, shall be punishable with fine which may extend to one thousand rupees and, in the case of a continuing default, with an additional fine which may extend to five hundred rupees for every day during which the default continues.

(2) Any provident society which makes default in complying with any of the requirements of Part III and any director, managing agent, manager, secretary or other

officer of the society who is knowingly a party to the default, shall be punishable with fine which may extend to five hundred rupees or in the case of a continuing default with fine which may extend to two hundred and fifty rupees for every day during which the default continues.

Penalty for transacting insurance business in contravention of sections 3, 6, 7, 97 and 98.

103. (*1*) Any insurer or any person acting on behalf of an insurer, who transacts any class of insurance business in contravention of any of the provisions of section 3, section 6, section 7, *section 97 or section 98*, or does any one or more of the acts constituting the business of insurance in relation to any such class of insurance business shall be punishable with fine which may extend to two thousand rupees.

(*2*) Any person knowingly taking out a policy of insurance with any insurer or person guilty of an offence under sub-section (1) shall be punishable with fine which may extend to five hundred rupees:

Provided that nothing in this section shall apply to the business of re-insurance between the head office of an insurer in Mysore and the head office of an insurer not having an office in Mysore.

Penalty for false statement in document.

104. Whoever, in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Act, wilfully makes a statement false in any material particular, knowing it to be false, shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to one thousand rupees, or with both.

Wrongfully obtaining or withholding property.

105. Any director, managing agent, manager or other officer or employee of an insurer who wrongfully obtains possession of any property of the insurer or having any such property in his possession wrongfully withholds it or wilfully applies it to purposes other than those expressed or authorised by this Act shall, on the complaint of the insurer or any member or any policy-holder thereof, be punishable with fine which may extend to one thousand rupees and may be ordered by the Court trying the offence to deliver up or refund within a time to be fixed by the Court any such property improperly obtained or wrongfully withheld or wilfully misapplied and in default to suffer imprisonment for a period not exceeding two years.

Wrongfully diminishing life-insurance fund.

106. If on the application of an insurer or any member of an insurance company or any policy-holder or

the liquidator of an insurance company (in the event of the insurer being in liquidation) the Court is satisfied that by reason of any contravention of the provisions of this Act the amount of the life insurance fund has been diminished, every person who was at the time of the contravention a director, manager, liquidator or an officer of the insurer shall be deemed in respect of the contravention to have been guilty of misfeasance in relation to the insurer unless he proves that the contravention occurred without his consent or connivance and was not facilitated by any neglect or omission on his part; and the Court shall have all the powers which a Court has under sections 235 and 237 of the Mysore Companies Act, 1938, and shall also have the power to assess the sum by which the amount of the life insurance fund has been diminished by reason of the misfeasance and to order any person guilty thereof to contribute to that fund the whole or any part of that sum by way of compensation.

Previous sanction of the Government for institution of proceedings.

107. *Except where proceedings are* instituted by the Superintendent of Insurance, no proceedings under this Act against an insurer or any director, manager or other officer of an insurer or any person who is liable under *sub-section (2) of section 41* shall be instituted by any person unless he has previous thereto obtained the sanction of the Government to the institution of such proceedings.

Power of Court to grant relief.

108. If in any proceedings, civil or criminal, it appears to the Court hearing the case that a person is or may be liable in respect of negligence, default, breach of duty or breach of trust but that he has acted honestly and reasonably and that having regard to all the circumstances of the case he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, the Court may relieve him either wholly or partly from his liability on such terms as it may think fit.

Cognizance of offences.

109. No Court inferior to that of a magistrate of the first class shall try any offence under this Act.

Appeals.

110. (*1*) An appeal shall lie *within thirty days from the date of the order* to the Court having jurisdiction from any of the following orders, namely :—

(*a*) an order under section 3 refusing to register, or cancelling the registration of, an insurer;

(*b*) an order under section 5 directing the insurer to change his name;

(*c*) an order under section 42 cancelling the license issued to an agent ;

(*d*) an order under section 75 refusing to register an amendment of rules ;

(*e*) an order under section 87 directing an enquiry by an auditor or actuary ; or

(*f*) an order made in the course of the winding up or insolvency of an insurer or a provident society.

(*2*) The Court having jurisdiction for the purposes of sub-section (1) shall be the principal Court of civil jurisdiction within whose local limits the principal place of business of the insurer concerned is situate.

(*3*) An appeal shall lie from any order made under sub-section (1) to the authority authorised to hear appeals from the decisions of the Court making the same and the decision on such appeal shall be final.

Service of notices.

111. (*1*) Any process or notice required to be served on an insurer or provident society shall be sufficiently served if addressed to any person registered with the Superintendent of Insurance as a person authorized to accept notices on behalf of the insurer or provident society and left at, or sent by *registered* post to, the address of such person as registered with the Superintendent of Insurance.

(*2*) Any notice or other document which is by this Act required to be sent to any policy-holder may be addressed and sent to the person to whom notices respecting such policy are usually sent and any notice so addressed and sent shall be deemed to be notice to the holder of such policy :

Provided that, where any person claiming to be interested in a policy as transferee, assignee or nominee has given to an insurer or to a provident society notice in writing of his interest, any notice which is by this Act required to be sent to policy-holders shall also be sent to such person at the address specified by him in his notice.

***Declaration of* interim bonuses.**

112. Notwithstanding anything to the contrary contained in this Act an insurer carrying on the business of life insurance shall be at liberty to declare an interim bonus or bonuses to policy-holders whose policies mature for payment by reason of death or otherwise during the intervaluation period on the recommendation of the investigating actuary made at the last preceding valuation.

Acquisition of surrender value by policy.

113. *Where* a definite number of premiums is payable, a policy of life insurance on which all premiums have been paid for three consecutive years shall acquire a guaranteed surrender value and notwithstanding any contract to the contrary shall not lapse by reason of non-payment of further premium but shall notwithstanding such non-payment be kept alive to the extent of its paid up value.

Explanation.—For the purposes of this sub-section the paid up value *of a policy shall be an amount bearing to the total sum assured by the policy the same proportion as the* total of the premiums *already* paid *on the policy* bears to the total of the premiums payable under the policy.

(*2*) A policy *kept alive to the extent of its paid up value under sub-section (1) shall* not participate in *any* profits of the insurer earned after *the conversion of the policy into a paid up policy.*

(*3*) This section shall not apply to—

(*a*) policies in respect of which the sum assured is payable only on the happening of a contingency which may not arise, or

(*b*) where the paid up value will be less than *one hundred rupees, or*

(*c*) where the parties after the default has occurred in the payment of the premium agree in writing to some other arrangement, or

(*d*) to policies in which the surrender value is automatically applied under the terms of the contract to maintaining the policy in force after its lapse through non-payment of premium.

Power of Government to make rules.

114. (*1*) The Government may, subject to the condition of previous publication by notification in the official Gazette, make rules to carry out the purposes of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing power, such rules may prescribe—

(*a*) the qualifications to be possessed by actuaries;

(*b*) the manner in which it shall be determined for the purposes of this Act what is insurance business transacted in Mysore;

(*c*) the procedure to be followed by the Comptroller in dealing with deposits made in pursuance of this Act, including *the receipt of*, the custody of, withdrawal of, *and* payment of interest on

securities lodged as such deposits, and their inspection and verification by the Superintendent of Insurance;

(*d*) the form referred to in clause (*d*) of sub-section (2) of section 16;

(*e*) the manner in which the prospectuses and tables referred to in sub-section (1) of section 41 shall be published and the form in which they shall be drawn up;

(*f*) the matters to be prescribed for the purposes of section 48;

(*g*) the manner in which licenses to act as insurance agents may be issued or cancelled;

(*h*) the contingencies other than those specified in clauses (*a*) to (*f*) of section 65 on the happening of which money may be paid by provident societies;

(*i*) the matters other than those specified in clauses (*a*) to (*o*) of sub-section (1) of section 74 on which a provident society shall make rules;

(*j*) the form of any account, return or register required by Part III and the manner in which such account, return or register shall be verified;

(*k*) subject to the provisions of this Act, the fees payable thereunder and the manner in which they are to be collected; *and*

(*l*) the conditions and the matters which may be prescribed under sub-sections (5), (10) and (12) of section 92.

* * * * *

Alteration of forms.

115. The Government may, on the application or with the consent of an insurer, not being a company, alter the forms contained in the Schedules as respects that insurer, for the purpose of adapting them to the circumstances of that insurer:

Provided that nothing done under this section shall exempt the insurer from supplying all information required under this Act so far as it is possible for the insurer to do so.

Power to exempt from certain requirements.

116. The Government may, by notification in the official Gazette, exempt any insurer constituted, incorporated or domiciled in *another* Indian State *or in British India* from the provisions of section 7 relating to deposits or from the provisions of sub-section (2) of section 27

relating to the keeping of assets in Mysore either absolutely or subject to such conditions or modifications as may be specified in the notification.

Saving of provisions of the Mysore Companies Act, 1938.

117. Nothing in this *Act* shall affect the liability of an insurer being a company to comply with the provisions of the Mysore Companies Act, 1938, in matters not otherwise specifically provided for by this Act.

Provisions applicable to Government Insurance.

118. *Notwithstanding anything contained in sub-section (3) of section 1, the Government may by notification, apply any of the provisions of this Act to the insurance business carried on by the Government.*

Policy forms to be deposited with the Superintendent.

119. Every insurer registered under this Act shall deposit and keep deposited with the Superintendent of Insurance, copies of all *standard* forms of policy contracts issued by him in Mysore.

Determination of market value of securities deposited under this Act.

120. *The market value on the day of deposit of securities deposited in pursuance of any of the provisions of this Act with the Comptroller shall be determined by the Comptroller whose decision shall be final.*

Amendment of Schedule I, Act IV of 1911.

121. *In the First Schedule to the Mysore Limitation Act, 1911, for the entry in the third column relating to article 86, the following entry shall be substituted, namely:—*

"The date of the death of the deceased....."

Amendment of section 130, Act IV of 1918.

122. *To the Exception to section 130 of the Transfer of Property Act, 1918, the following words and figures shall be added, namely:—*

"or affects the provisions of section 38 of the Insurance Act, 1938."

THE FIRST SCHEDULE.

(SEE SECTION 11.)

Regulations and Forms for the Preparation of Balance Sheet.

PART I—Regulations.

1. The balance-sheet required to be prepared in respect of every class of business carried on by an insurer is, in the form in which it is set out in Part II of this Schedule (Form A), appropriate to a case where the insurer maintains a separate fund in respect of life insurance business.

2. The balance-sheet of life insurance business shall be prepared as a separate document. The balance-sheet of any class of business may be prepared as a separate document instead of being incorporated by the addition of columns and headings in the general balance-sheet, but the totals of each such separate balance-sheet (showing the total assets of the class of business, the balance at the credit of the life insurance fund or other separate fund or account, the amount of shareholders' undivided profits, and outstanding liabilities) must in any case be incorporated in the general balance-sheet.

3. If any combined balance-sheet is for any purpose issued by an insurer, it shall be in accordance with the Form set out in this Schedule, and there shall not be included among the assets shown in any such combined balance-sheet any amount in respect of any holding in or advance to any insurer whose assets and liabilities have been incorporated therein. Every combined balance-sheet must show clearly on the face thereof that it is a combined balance-sheet and must set out fully the name of every insurer whose assets and liabilities have been incorporated therein ; if the assets and liabilities of any person not being an insurer are included in a combined balance-sheet, the fact must be stated thereon.

4. Where any guarantee has been given by an insurer (otherwise than in the ordinary course of re-insurance business) in respect of the policies of any other insurer, the balance-sheet of the insurer by whom the guarantee was given must show clearly the name of every insurer whose policies have been so guaranteed and the extent of the guarantee :

Provided that this regulation shall not apply where a combined balance-sheet is issued incorporating the assets and liabilities of the insurer whose policies are guaranteed.

5. Where any part of the assets of an insurer is deposited in any place outside Mysore as security for the owners of policies issued in that place, the balance-sheet shall state that part of the assets has been so deposited, and, if any such part forms part of the life insurance fund, shall show the amount thereof and the place where it is deposited. Where any combined balance-sheet is issued by an insurer for any purpose, the information required by this regulation shall be shown in the aggregate in respect of all the insurers whose assets and liabilities have been incorporated in the balance-sheet.

6. There shall be appended to the balance-sheet a statement in Form AA as set out in Part II of this Schedule showing the market value and the book value of the assets.

7. Every balance-sheet shall contain the following certificates, namely :—

(*a*) a certificate signed by the same persons as are required by this Act to sign the balance-sheet explaining how the values as shown in the balance-sheet of the Investments in Stocks and Shares have been arrived at, and how the market value thereof has been ascertained for the purpose of comparison with the values so shown ;

(*b*) a certificate signed by the same persons as are required by this Act to sign the balance-sheet and signed also, so far as respects the value of any items shown in the balance-sheet under the heading of "Reversions and Life Interests," by an actuary, certifying that the values of all the assets have been reviewed as at the date of the balance-sheet, and that in their belief the assets set forth in the balance-sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings—"Loans," "Reversions and Life Interests," "Investments," "Agents' Balances and Outstanding Premiums," "Interest, Dividends and Rents outstanding," "Interest, Dividends and Rents accruing but not due," "Amounts due from other Persons or Bodies carrying on Insurance Business," "Sundry Debtors," "Bills Receivable," "Cash" and the several items specified under "Other Accounts" :

Provided that if the persons signing the certificate are unable to certify that the assets set forth in the balance-sheet are so shown as aforesaid, a full explanation of the basis upon which the values shown in the balance-sheet have been assessed shall be given in the certificate ;

(*c*) a certificate signed by the same persons as are required by this Act to sign the balance-sheet and by the auditor certifying that no parts of the assets of the life insurance fund has been directly or indirectly applied in contravention of the provisions of this Act relating to the application and investment of life insurance funds ; and

(*d*) certificates signed by the auditor (which shall be in addition to any other certificate or report which he is required by law to give with respect to the balance-sheet) certifying—

(*i*) that he has verified the cash balances and the securities relating to the insurer's loans, reversions and life interests, and investments ;

(*ii*) to what extent, if any, he has verified the investments and transactions relating to any trusts undertaken by the insurer as trustee ; and

(*iii*) in the case of a combined balance-sheet, that he has audited the balance-sheet and accounts of every insurer whose assets and liabilities are incorporated therein, or that any such balance-sheet and accounts which have not been audited by him have been certified by independent auditors. The said certificate shall contain a reference to such reservations, if any, as may have been made by any auditor upon any report or certificate given by him with respect to the balance-sheet and accounts

of any insurer whose assets and liabilities are incorporated in the combined balance-sheet.

8. If the value shown in the balance-sheet in respect of "Holdings in Subsidiary Companies" or "House property (* * *)" have been increased since the last previous balance-sheet, the certificate required by paragraph (*b*) of the last foregoing regulation shall state the amount of every increase not solely due to the cost of subsequent additions or, as respects holdings in *subsidiary* companies, to increased profits, and shall contain an explanation of the reason therefor.

9. For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely:—

(*a*) "combined balance-sheet" includes any combined statement made by an insurer of assets and liabilities in the form of a balance-sheet which includes the assets and liabilities of any other insurer; *and*

(*b*) "market value" means as respects any asset the market value thereof as ascertained from published market quotations or, if there be no such value, its fair value as between a willing buyer and a willing seller.

PART II—Forms.

FORM A.

FORM OF BALANCE-SHEET.

Balance-sheet of 193 .

	Life and Annuity Business (1)	Other Classes of Business (2)*	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Shareholders' Capital (each class to be stated separately)			
Authorised :—Shares of Rs.....each Rs.			
Subscribed :—Shares of Rs.....each Rs.			
Called up :—Shares of Rs.....each Rs.			
Less Unpaid calls ... Rs.			
Reserve or Contingency Accounts (*a*):			
Investment Reserve Accounts			
Profit and Loss Appropriation Account Balance			
Balances of Funds and Accounts :			
Life Insurance Fund			
Fire Insurance Business Account ...			
Marine Insurance Business Account ...			
Accident and Miscellaneous Insurance Business Account			
Other accounts, if any (to be specified) ...			
Pension or Superannuation Accounts (*b*) ...			
Debenture Stock per cent ...			
Loans and Advances (*c*)			
Bills Payable (*c*)			
Estimated Liability in respect of outstanding claims, whether due or intimated (*d*)			
Annuities due and unpaid (*d*)			
Outstanding Dividends			
Amounts due to Other Persons or Bodies carrying on Insurance Business (*c*) ...			
Carried over ...			

	Life and Annuity Business (1)	Other Classes of Business (2)*	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Loans :			
On Mortgages of property within Mysore ...			
On Mortgages of property outside Mysore ...			
On Security of municipal and other public rates			
On Stocks and Shares			
On Insurer's policies within their surrender value			
On personal security			
To Subsidiary Companies (other than Reversionary (*f*)			
Reversions and Life Interests :			
Reversions and Life Interests purchased ...			
Loans on Reversions and Life Interests ...			
Debentures and Debenture Stocks of Subsidiary Reversionary Companies (*f*) ...			
Ordinary Stocks and Shares of Subsidiary Reversionary Companies (*f*) ...			
Loans to Subsidiary Reversionary Companies (*f*)			
Investments			
Deposit with the Comptroller (Securities to be specified)			
Mysore Government Securities			
Securities of District Boards and other local bodies guaranteed by the Mysore Government			
Other approved Securities (particular to be given)			
Holdings in *Subsidiary* Companies (*f*) ...			
House property			
Freehold and Leasehold ground rents and rent charges			
Agent's Balances			
Outstanding Premiums (*g*)			
Interest, Dividends and Rents outstanding (*d*)			
Carried over ...			

Sundry Creditors (including outstanding and accruing expenses and taxes) (c) ...				Interest, Dividends and Rents accruing but not due (d)			
Other sums owing by the insurer (particulars to be given (c)				Amounts due from other Persons or Bodies carrying on Insurance Business (h) ...			
Contingent Liabilities to be specified (e) ...				Sundry Debtors (i)			
				Bills Receivable			
				Cash :			
Rs. ...				At Bankers on Deposit Account ...			
				At Bankers on Current Account and in hand			
				At Call and Short Notice (j)			
				Other Accounts to be specified (k) ...			

* Assets and Liabilites, Shareholders' Capital and Reserves, not allocated to any class of business specified in column (1) must be shown in column (2).

Notes.

(*a*) The Reserves or Contingency Accounts must be separately stated.

(*b*) If the insurer has not full and unrestricted control of the assets constituting the Pension or Superannuation Accounts either those Accounts and the assets and liabilities relating thereto must be omitted from the balance-sheet or the assets of which the insurer has not such control must be clearly indicated on the face of the balance-sheet.

(*c*) If the insurer has deposited security as cover in respect of any of these items, the amount and nature of the securities so deposited must be clearly indicated on the face of the balance-sheet.

(*d*) These items are or have been included in the corresponding items in the Revenue or Profit and Loss Account. Outstanding and accruing interest, dividends and rents must be shown after deduction of income-tax or the income-tax must be provided for amongst the liabilities on the other side of the balance-sheet.

(*e*) Such items as amount of liability in respect of bills discounted, uncalled capital of subsidiary companies, uncalled capital of other investments, etc., must either be shown in their several categories under the heading "Contingent Liabilities" or the appropriate items on the assets side must be set out in such details as will clearly indicate the amount of the uncalled capital.

(*f*) As respects life and annuity business full particulars of holdings in and loans to subsidiary companies must be stated, giving the name of each company, the number and description of each class of shares held, the amounts paid up thereon, and the value at which the holdings in each company stand in the balance-sheet.

(*g*) Either this item must be shown net or the commission must be provided for amongst the liabilities on the other side of the balance-sheet.

(*h*) The aggregate amount owing by a subsidiary company or subsidiary companies is to be shown separately from all other assets and the aggregate amount owing to a subsidiary company or subsidiary companies is to be shown separately from all other liabilities.

(*i*) Amounts due from directors and officers must be shown separately.

(*j*) No amounts must be entered under this heading unless fully secured. If not fully secured the amounts must be included under the heading "Sundry Debtors."

(*k*) Under this heading must be included such items as the following, which must be shown under separate headings suitably described: office furniture, goodwill, preliminary, formation and organisation expenses, development expenditure account, discount on debentures issued, other expenditure carried forward to be written off in future years, balance being loss on Profit and Loss Appropriation Accounts, etc. The amounts included in the balance-sheet must not be in excess of cost.

(*l*) Under the head "Other Accounts, if any, to be specified" on the left hand side, fines realised from the staff and their contribution towards the provident fund, if any, should be shown under separate sub-heads.

FORM AA.

Classified Summary of the Assets of the.....
Company on 19 .

Class of Asset	Book value as per (a) below	Market value as per (b) below	Remarks as per (c) below
	Rs.	Rs.	
(1) Securities of the Government of Mysore.			
(2) Securities and debentures issued by District Boards and other local bodies and guaranteed by Government.			
(3) Other approved securities (particulars to be given).			
(4) Loans on the Company's policies and within their surrender value.			
(5) Loans on Mortgage or property.			
(6) Loans on personal security.			
(7) Other loans (particulars to be stated).			
(8) Land and House Property.			
(9) Cash on Deposit in banks.			
(10) Cash in hand and on current account in banks.			
(11) Agents' balances and outstanding premiums.			
(12) Interest, dividends and rents either outstanding or accrued but not due.			
(13) Other assets (to be specified).			

The statement shall show—

(a) the value for which credit is taken in the balance-sheet for each of the abovementioned classes of assets,

(b) the market value of such of the abovementioned classes of assets as has been ascertained from published quotations after deduction of accrued interest included in market prices in those cases where accrued interest is included elsewhere in the balance-sheet,

(c) how the value of such of the abovementioned classes of assets as has not been ascertained from published quotations has been arrived at, and

(d) the rates of exchange at which the values of the assets other than in rupee currency have been converted into rupees.

The market values need not be shown separately where they are not less than the book values and a certificate to that effect is appended to the statement.

No amounts on account of any of the following items may be entered in the statement:—

Goodwill.

Preliminary, formation, organisation or development expenses.

Commission or discount on shares or debentures issued.

Commuted Commission.

Expenditure carried forward to be written off in future years.

THE SECOND SCHEDULE.

(SEE SECTION 11.)

Regulations and Forms for the preparation of Profit and Loss Accounts.

PART I.—Regulations.

1. The items on the income side of the Profit and Loss Account and Profit and Loss Appropriation Account must relate to income, whether actually received or not, and the items on the expenditure side must relate to expenditure whether actually paid or not.

2. Deductions from Interest, Dividends and Rents to be shown in respect of income-tax must include all amounts in respect of Mysore income-tax whether or not it has been or is to be deducted at source or paid direct.

3. The Interest, Dividends and Rents, less income-tax thereon shown in the Revenue Accounts for any classes of business other than life insurance business, including annuity business may, if the insurer so desires, be included with the corresponding items in the Profit and Loss Account.

PART II—Forms.

FORM B.

FORM OF PROFIT AND LOSS ACCOUNT.

Profit and Loss Account of for the year ended 19

	Rs. a. p.		Rs. a. p.
Mysore Taxes on the Insurer's Profits (not applicable to any particular Fund or Account) ...		Interests, Dividends and Rents (not applicable to any particular Fund or Account) ... Rs.	
		Less—Income-tax thereon ... Rs.	
Expenses of Management (not applicable to any particular Fund or Account)* ...		Profit on realisation of Investments (not credited to Reserves or any particular Fund or Account) ...	
Loss on Realisation of Investments (not charged to Reserves or any particular Fund or Account)		Appreciation of Investments (not credited to Reserves or any particular Fund or Account) ...	
Depreciation of Investments (not charged to Reserves or any particular Fund or Account) ...		Profit transferred from Revenue Accounts (details to be given) ...	
Loss transferred from Revenue Accounts (details to be given).		Transfer Fees ...	
Other Expenditure (to be specified) ...		Other Income (to be specified) ...	
Balance for the year carried to Appropriation Account) ...		Balance being loss for the year carried to Appropriation Account ...	

*If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount must be shown separately.

FORM C.

FORM OF PROFIT AND LOSS APPROPRIATION ACCOUNT.

Profit and Loss Appropriation Account of for the year ended 19

	Rs. a. p.		Rs. a. p.
Balance being loss brought forward from last year ...		Balance brought forward from last year Rs.	
Balance being loss for the year brought from Profit and Loss Account (as in Form B) ...		Less—Dividends since paid in respect of last year (to be specified and if "free of tax" to be so stated)* ... Rs.	
Dividends paid during the year on account of the current year (to be specified and if "free of tax" to be so stated) ...			
Transfers to any particular Funds or Accounts (details to be given) ...		Balance for the year brought from Profit and Loss Account (as in Form B) ...	
Balance at end of the year as shown in the Balance-sheet ...		Balance being loss at end of the year as shown in the Balance-sheet ...	

*NOTE.—This item may be shown on the other side of the account if preferred.

THE THIRD SCHEDULE.

(SEE SECTION 11.)

Regulations and Forms for the preparation of Revenue Accounts.

PART I.—Regulations.

1. Form D is, as set out in Part II of this Schedule, appropriate for life insurance business, but a separate revenue account must be prepared for every class of business in respect of which the insurer is required to maintain a separate account.

2. Form F is, as set out in Part II of this Schedule, appropriate for fire insurance business. A separate revenue account in the same form must be prepared for accident and miscellaneous insurance including workmen's compensation and motor car insurance. *Form E is, as set out in Part II of this Schedule appropriate for marine insurance business.*

3. If any combined revenue account is for any purpose issued by an insurer it must be in accordance with the forms specified in this Schedule and must clearly show on the face thereof that it is a combined revenue account, and must set out fully the name of every insurer required to make separate returns under this Act whose revenue and expenditure have been included therein; if the revenue and expenditure of any person not being an insurer are included in a combined revenue account, the fact must be stated thereon.

4. The items on the income side of the revenue account must relate to income whether actually received or not, and the items on the expenditure side must relate to expenditure whether actually paid or not.

5. Re-insurance premiums, whether on business ceded or accepted, are to be brought into account gross (*i.e.*, before deducting commissions) under the head of premiums.

6. As respects life insurance business, the following statements shall be furnished to the Superintendent *of Insurance* every year showing details provided for in a Form pertaining thereto:—

(*a*) A statement in Form D D as set forth in Part II of this Schedule.

(*b*) A statement in Form D D D as set forth in Part II of this Schedule.

(*c*) A statement in Form DDDD as set forth in Part II of this Schedule.

7. The following information shall be supplied in addition to the revenue account, namely, the gross premium written in Mysore for life, fire, marine and accident and miscellaneous insurance business.

8. Any office premises which form part of the assets of a life insurance fund must be treated as an interest earning investment, and accordingly, in the revenue account for life insurance business a fair rent for the premises must be included under the heading "Interest, Dividends and Rents" and in the revenue account for every

class of business for which the premises are used proper charges for the use thereof must be included under the heading " Expenses of Management."

9. Where an insurer carries on *the* business of life insurance in conjunction with any other class of insurance business the expenses of management charged to the Life Insurance revenue account must not include more than a reasonable proportion of the common expenses and in particular, no such account must be charged with more than a fair sum for the use of any office premises having regard to the income from the various classes of business carried on and to the extent to which the premises are used for the purposes of *each* class of business.

10. Deductions from Interest, Dividends and Rents in respect of income-tax must include all income-tax *charged on such income* whether or not it has been or is to be deducted at source or paid direct; the income-tax to be shown as so deducted in the life insurance Revenue Account is Mysore and Foreign income-tax, but the income-tax to be shown as deducted in Revenue Accounts *of* any other classes of business is Mysore income-tax only.

PART II—Forms.

FORM D.

FORM OF REVENUE ACCOUNT APPLICABLE TO LIFE INSURANCE BUSINESS.

Revenue Account of for the year ended 19 ,
in respect of Business.

	Business within Mysore	Business out of Mysore (a)	Total		Business within Mysore	Business out of Mysore (a)	Total
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Claims under Policies (including provision for claims due or intimated) less Re-insurances.				Balance of Fund at the beginning of the year.			
By death ...				Premiums, less Re-insurances.			
By maturity ...				(i) First year premiums.			
Annuities, less Re-insurances.				(ii) Renewal premiums.			
Surrenders (including Surrenders of Bonus), less Re-insurances.				(iii) Single premiums.			
Bonuses in cash, less Re-insurances.				Consideration for Annuities granted, less Re-insurances (c).			
Bonuses in Reduction of Premiums, less Re-insurances.				Interest, Dividends and Rents.			
Commission— Less *that* on Re-insurances.				Less—Income-tax thereon (d).			

—	Business within Mysore	Business out of Mysore (a)	Total
	Rs.	Rs.	Rs.
*Expenses of management (b)—			
(1) Commission and allowances ...			
(2) Salaries, etc., (other than to agents and those contained in item No. 1).			
(3) Travelling expenses ...			
(4) Directors' fees ...			
(5) Auditors' fees			
(6) Law charges ...			
(7) Advertisements			
(8) Printing and Stationery ...			
(9) Other expenses of management (accounts to be specified) ...			
(10) Other payments (accounts to be specified)			
(11) Rents for offices belonging to and occupied by the insurer ...			
(12) Rents of other offices occupied by the insurer			
Bad Debts			

—	Business within Mysore	Business out of Mysore (a)	Total
	Rs.	Rs.	Rs.
Registration Fees			
Other income (to be specified) (c) ...			
Loss transferred to Profit and Loss Account.			
Transferred from Appropriation Account ...			

——	Business within Mysore	Business out of Mysore (a)	Total	——	Business within Mysore	Business out of Mysore (a)	Total
	Rs	Rs.	Rs.		Rs.	Rs.	Rs.
Mysore and *Foreign* Taxes							
Other expenditure (to be specified) ...							
Profit transferred to Profit and Loss Account.							
Balance of Fund at the end of the year as shown in the Balance-sheet.							

NOTES.

(*a*) In the case of an insurer having his head office in Mysore, these columns apply only to business the premiums in respect of which are payable outside Mysore.

(*b*) If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount so deducted must be shown separately. Under this item the salary paid to the managing agent or managing director shall be shown separately, from the total amount paid as salaries to the remaining staff.

(*c*) All single premiums for annuities whether immediate or deferred, must be included under this heading.

(*d*) Mysore and *Foreign* income-tax on Interest, Dividends and Rents must be shown under this heading, less any rebates of income-tax recovered from the revenue authorities in respect of expenses of management. The separate heading on the other side of the account is for Mysore and *Foreign* taxes, other than those shown under this item.

(*e*) Under the head "Other Income" fines, if any, realised from the staff must be shown separately. All the amounts received by the insurer directly or indirectly whether from his Head Office or from any other source outside Mysore shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account.

* In the case of an insurer having his principal place of business outside Mysore the expenses of management for business out of Mysore and total business need not be split up to the several sub-heads, if they are not so split up in his own country.

FORM DD.

Classified statement of life-insurance policies of the Company, for the year ending 19 .

	New life insurance business in respect of which a premium has been paid in the year.				Total life insurance business in force at end of the year.		Premium income for which credit has been taken in the revenue account.
	Number of policies.	Sums insured and annuities per annum.	Single premiums (including consideration for immediate annuities and all other premiums paid at the outset where no subsequent premium is payable).	Yearly renewal premium income.	Number of policies.	Sums insured with bonuses and annuities per annum.	
		Rs.	Rs.	Rs.		Rs.	Rs.
Ordinary policies.							
In Mysore							
Out of Mysore							
Total ...							
Annuity contracts, etc.							
In Mysore							
Out of Mysore							
Total ...							
Group insurance policies.							
In Mysore							
Out of Mysore							
Total ...							

The amounts should be stated to the nearest rupee and after deduction of re-insurances.

FORM DDD.

Additions to and deductions from policies of the.....Company for the year ending.....19 .

	Ordinary life insurance policies insuring money to be paid on death or survivance.			Annuities.	
	No.	Sum assured.	Reversionary bonus additions.	No.	Annuity per annum.
		Rs.	Rs.		Rs.
(1) Policies at beginning of year					
(2) New policies issued					
(3) Old policies revived					
(4) Old policies changed and increased					
(5) Bonus additions allotted					
Total ...					
DISCONTINUED DURING YEAR.					
(6) By death					
(7) By survivance or the happening of the contingencies insured against other than death.					
(8) By expiry of term under temporary insurances...					
(9) By surrender of policy					
(10) By surrender of bonus					
(11) By forfeiture or lapse					
(12) By change and decrease					
(13) By being not taken up					
Total discontinued ...					
Total existing at end of year ...					

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FORM DDDD.

Particulars of the policies forfeited or lapsed in the last financial year under review, less those revised and reinstated for full benefits, classified according to the year in which they were issued.

Financial year in which the policies were issued	Number of policies forfeited or lapsed	Sum *insured* under policies forfeited or lapsed
		Rs.
Year ending 19 , being the year under review	...	...
Year ending 19 , being the year previous to that under review ...	...	...

And so on, the number of and sum insured under policies forfeited or lapsed in the last financial year under review being stated after classification according to each of the preceding years in which they were issued.

A separate statement must be given in respect of each class of life insurance business for which a separate revenue account is submitted.

Insurers having their principal place of business in Mysore shall give the information required in the form separately for business transacted in Mysore and business transacted outside Mysore and the insurers having their principal place of business outside Mysore will furnish information regarding business transacted in Mysore only.

FORM E.

Form of Revenue Account applicable to Marine Insurance Business.

Revenue Account of for the year ended 19 ,
in respect of Marine Insurance Business.

—	Current year	Last preceding year	Previous years	Total	—	Current year	Last preceding year	Previous years	Total
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
*Claims paid (less Salvages and Re-insurances) (*a*) (*c*).					Balance of Marine Insurance Business Account at beginning of the year:				
*Commission ...					Balances ...				
*Expenses of Management (*b*).					Additional Reserve (if any).				
*Bad Debts ...									
United Kingdom British Indian. Dominion and Foreign Taxes.					*Premiums (less Returns, Re-insurances, Brokerages and Discount (*c*).				
*Other Expenditure (to be specified).					Interest, Dividends and Rents .....Rs.				
Profit transferred to Profit and Loss Account.					Less—Income-tax thereon .....Rs.				
Balance of Marine Insurance Business Account at end of year as shown in the Balance Sheet:					*Other Income (to be specified) (*d*).				
Balances ...					Loss transferred to Profit and Loss Account...				
Additional Reserve (if any).					Transferred from Appropriation Account ...				

Notes.

(*a*) This heading must include all expenses directly incurred in settling claims.

(*b*) If any sum has been deducted from this item and entered on the assets side of the balance-sheet the amount so deducted must be shown separately.

(*c*) Where the account is furnished under the provisions of section 11 of the Insurance Act, 1938, separate figures for claims paid to claimants in *Mysore* and claimants outside *Mysore*, and for premiums derived from business effected in *Mysore* and effected outside British India must be given.

(*d*) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside *Mysore* shall also be shown separately in the revenue account except such sums as properly appertain to the capital account.

*Where the account is furnished under the provisions of clause (b) of sub-section (2) of section 16 of the Insurance Act, 1938, by an insurer to whom that section applies, separate figures for business within *Mysore* and business out of *Mysore* must be given against the items marked with an asterisk. Against all other items the total amount for the business as a whole may be given.

FORM F.

FORM OF REVENUE ACCOUNT APPLICABLE TO FIRE INSURANCE BUSINESS AND TO ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS INCLUDING WORKMEN'S COMPENSATION AND MOTOR CAR INSURANCE BUSINESS.

Revenue Account of for the year ended 19 ,
in respect of Business.

	Rs.		Rs.
*Claims under Policies, less Re-insurances (a) (d):		Balance of Account at beginning of the year:	
Paid during the year ... Rs.		Reserve for Unexpired Risks ... ... Rs.	
Total estimated liability in respect of outstanding claims at end of the year whether due or intimated ...		Additional Reserve (if any) ... ... Rs.	
Total ...		*Premiums, less Re-insurances (d)	
Less—Outstanding at end of previous year (b) ... Rs.		Interest, Dividends and Rents ... ... Rs.	
*Commission		Less—Income-tax thereon. Rs.	
*Expenses of Management (c) ...			
*Bad Debts			
Foreign Taxes		*Other Income (to be specified ((e)	
*Other Expenditure (to be specified			
Profit transferred to Profit and Loss Account		Loss transferred to Profit and Loss Account	
Balance of Account at the end of the year as shown in the Balance—Sheet: Rs.		Transferred from Appropriation Account	
Reserve for Unexpired Risks, being—per cent. of premium income of year ... ... Rs.			
Additional Reserve (if any). ... ... *Rs.*			
Rs. ...		Rs. ...	

NOTES.

(a) This heading must include all expenses directly incurred in settling claims.

(b) If in any year the claims actually paid and those still unpaid at the end of that year in respect of the previous year or years are in excess of the amount included in the previous year's Revenue Account as provision for outstanding claims, then the amount of such excess must be shown in the Revenue Account.

(c) If any sum has been deducted from this item and entered on the assets side of the balance-sheet the amount so deducted must be shown separately.

(d) Where the account is furnished under the provisions of section 11 of the Insurance Act, 1938, separate figures for claims paid to claimants in Mysore and claimants outside Mysore, and for premiums derived from business effected in Mysore and effected outside Mysore must be given.

(e) All the amounts received by the insurer directly or indirectly whether from his head office or from any other source outside Mysore shall also be shown separately in the revenue account, except such sums as properly appertain to the capital account.

*Where the account is furnished under the provisions of clause (b) of sub-section (2) of section 16 of the Insurance Act, 1938, by an insurer to whom that section applies, separate figures for business within Mysore and business out of Mysore must be given against the items marked with an asterisk. Against all other items the total amount for the business as a whole may be given.

THE FOURTH SCHEDULE.

(SEE SECTION 13.)

Regulations for the preparation of Abstracts of Actuaries' Reports and Requirements applicable to such Abstracts.

PART I.—Regulations.

1. Abstracts and Statements must be so arranged that the numbers and letters of the paragraphs correspond with those of the paragraphs of Part II of this Schedule.

2. In showing the proportion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, in accordance with the requirements of paragraph 3 of Part II of this Schedule, no credit is to be taken for any adjustments made in order to secure that no policy is treated as an asset.

3. (1) The average rate of interest yielded in any year by the assets constituting a life insurance fund shall, for the purposes of paragraph 4 of Part II of this Schedule, be calculated by dividing the interest of the year by the mean fund of the year; and for the purposes of any such calculation the interest of the year shall be taken to be the whole of the interest credited to the life insurance fund during the year after deduction of income-tax charged thereon (any refund of income-tax in respect of expenses of management made during the year being taken into account), and the mean fund of the year shall be ascertained by adding a sum equal to one-half of the amount of the life insurance fund at the beginning of the year to a sum equal to one-half of that fund at the end of the year, and deducting from the aggregate of those two sums an amount equal to one-half of the interest of the year.

(2) For the purposes of the calculation aforesaid either—

(*a*) all profits and income arising during the year from sums invested in reversions shall be included in the interest credited to the life insurance fund during the year; or

(*b*) such portion of the life insurance fund as is invested in the purchase of reversions, and the profits and income arising therefrom, shall be excluded from the calculation; but in that case a statement must be added to the information required under the said paragraph 4, showing in respect of the portion of the fund so excluded as aforesaid, the average rate of annual profit and income for which credit has been taken during the five years last preceding the valuation date, and explaining the manner in which the said average rate has been calculated.

(3) The information given in accordance with the requirements of the said paragraph 4, shall show clearly by which of the methods hereinbefore in this regulation mentioned the sums invested in reversions and the profits and income arising therefrom have been dealt with.

4. Every abstract prepared in accordance with the requirements of Part II of this Schedule shall be signed by an actuary and shall contain a certificate by him to the effect that he has satisfied himself as to the accuracy of the valuations made for the purposes thereof and of the valuation data:

Provided that in the case of an abstract prepared on behalf of an insurance company, if the actuary who signs the abstract is not a permanent officer of the company, the certificate as to the accuracy of the valuation data shall be given and signed by the principal officer of the company and the actuary shall include in the abstract a statement signed by him showing what precautions he has taken to ensure the accuracy of the data.

5. For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely:—

"extra premium" means, a charge for any risk not provided for in the minimum contract premium;

"inter-valuation period" means, as respects any valuation, the period to the valuation date of that valuation from the valuation date of the last preceding valuation in connection with which an abstract was prepared under this Act or, in a case where no such valuation has been made in respect of the class of business in question, from the date on which the insurer began to carry on that class of business;

"maturity date" means the fixed date on which any benefit will become payable either absolutely or contingently;

"net premiums" means as respects any valuation the premiums taken credit for in the valuation;

"premium term" means the period during which premiums are payable;

"valuation date" means as respects any valuation the date as at which the valuation is made.

PART II.—Requirements applicable to an Abstract in respect of Life Insurance Business.

The following tabular statements shall be annexed to every abstract prepared in accordance with the requirements of this Part of this Schedule, namely:—

(*a*) a Consolidated Revenue Account, in the Form G annexed to this Part of this Schedule, for the inter-valuation period (except that it shall not be necessary to prepare such an account in respect of any class of business so long as the insurer deposits annually with the Superintendent of Insurance an abstract in respect of that class of business); *and*

(*b*) a Summary and Valuation in the Form H annexed to this Part of this Schedule of the policies included at the valuation date in the class of business to which the abstract relates; and

(*c*) a Valuation Balance Sheet in the Form I annexed to this Part of this Schedule; and

(*d*) *a statement in Form D D D as set forth in Part II of the Third Schedule of the additions to and deductions from the number of policies and the sums insured thereunder for each class of life insurance; and*

(*e*) a statement in Form *D D D D as set forth in* Part *II* of *the Third Schedule* of *particulars of policies forfeited or lapsed under each class of life insurance*;

and every such abstract shall show:—

1. The valuation date;

2. The general principles and full details of the methods adopted in the valuation of each of the various classes of insurances and annuities shown in the said Form H, including statements on the following points:—

(*a*) whether the principles were determined by the instruments constituting the company or by its regulations or bye-laws or how otherwise;

(*b*) the method by which the net premiums have been arrived at and how the ages at entry, premium terms and maturity dates have been treated for the purpose of the valuation;

(*c*) the methods by which the valuation age, period from the valuation date to the maturity date, and the future premium terms, have been treated for the purpose of the valuation;

(*d*) the rate of bonus taken into account whereby the method of valuation definite provision is made for the maintenance of a specific rate of bonus;

(*e*) the method of allowing for —

(*i*) the incidence of the premium income; and

(*ii*) premiums payable otherwise than annually;

(*f*) the methods by which provision has been made for the following matters, namely:—

(*i*) the immediate payment of claims;

(*ii*) future expenses and profits in the case of limited payment and paid-up policies;

(*iii*) the reserve in respect of lapsed policies, not included in the valuation, but under which a liability exists or may arise; and whether any reserves have been made for the matters aforesaid;

(*g*) whether under the valuation method adopted any policy would be treated as an asset, and if so what steps, if any, have been taken to eliminate such asset;

(*h*) a statement of the manner in which policies on under-average lives and policies subject to premiums which include a charge for climatic, military or other extra risks have been dealt with; and

(*i*) the rates of exchange at which liabilities in respect of policies issued in foreign currencies have been converted into

rupees and what provision has been made for possible increase of liability arising from future variations in the rates of exchange.

3. The table of mortality used, and the rate of interest assumed, in the valuation.

4. The proportion which that part of the annual premiums reserved as a provision for future expenses and profits bears to the total of the annual premiums, separately specified in respect of insurances with immediate profits, with deferred profits, with profits under discounted bonus systems, and without profits.

5. The average rates of interest yielded by the assets, whether invested or uninvested, constituting the life insurance fund for each of the years covered by the valuation date.

6. The basis adopted in the distribution of profits as between the insurer and *policy-holders*, and whether such basis was determined by the instruments constituting the company, or by its regulations or bye-laws, or how otherwise.

7. The general principles adopted in the distribution of profits among *policy-holders*, including statements on the following points, namely:—

(*a*) whether the principles were determined by the instruments constituting the company, or by its regulations or bye-laws, or how otherwise;

(*b*) the number of years' premiums to be paid, period to elapse and other conditions to be fulfilled before a bonus is allotted;

(*c*) whether the bonus is allotted in respect of each year's premium paid, or in respect of each completed calendar year or year of assurance or how otherwise; and

(*d*) whether the bonus vests immediately on allocation, or, if not, the conditions of vesting.

8. (1) The total amount of profits arising during the inter-valuation period, including profits paid away and sums transferred to reserve funds or other accounts during that period, and the amount brought forward from the preceding valuation (to be stated separately) and the allocation of such profits—

(*a*) to interim bonus paid;

(*b*) among *policy-holders* with immediate participation, giving the number of the policies which participated and the sums assured thereunder (excluding bonuses);

(*c*) among *policy-holders* with deferred participation, giving the number of the policies which participated and the sums assured thereunder (excluding bonuses);

(*d*) among *policy-holders* in the discounted bonus class, giving the number of the policies which participated and the sums assured thereunder (excluding bonuses);

(*e*) to the insurer, or in the case of an insurance company, among shareholders or to shareholders' accounts (any such sums passed through the accounts during the inter-valuation period to be separately stated);

(*f*) to every reserve fund or other fund or account (any such sums passed through the accounts during the inter-valuation period to be separately stated);

(*g*) as carried forward unappropriated.

(2) Specimens of bonuses allotted as at the valuation date to policies for one thousand rupees—

(*a*) for the whole term of life effected at the respective ages of 20, 30 and 40, and having been in force respectively for five years, ten years and upwards at intervals of ten years; and

(*b*) for endowment insurances effected at the respective ages of 20, 30 and 40, for endowment terms of fifteen, twenty and thirty years, and having been in force respectively for five years, ten years and upwards at intervals of ten years;

together with the amounts apportioned under the various manners in which the bonus is receivable.

9. A statement in Form J annexed to this Part of this Schedule of specimen policy reserve values held or required to be held according to the methods adopted in the valuation, and specimen minimum surrender values in respect of whole life insurance policies for Rs. 1,000 with premiums payable throughout life effected at the respective ages of 20, 30, 40 and 50, and immediately on payment of the first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, fifteenth and twentieth annual premium; with similar specimen policy reserve values and specimen surrender values in respect of whole life insurance policies subject to premiums payable for 20 years and of endowment insurance policies maturing at age 55.

10. A statement showing how the liability under any disability clause in a policy has been determined in the valuation with full information of the tables of sickness or accident used for the purpose

FORM G.

Consolidated Revenue Account of for years commencing and ending

—	Business within Mysore	Total	—	Business within Mysore	Total
	Rs.			Rs.	
Claims under Polices (including provision for claims due or intimated) less Re-insurances—			Balance of Life Insurance Fund at the beginning of the period ...		
By death			Premiums, less Re-insurances ...		
By maturity			Consideration for Annuities granted less Re-insurances (*b*)		
Annuities, less Re-insurances ...					
Surrenders (including Surrenders of Bonuses), less Re-insurances ...					
Bonuses in Cash, less Re-insurances ...			Interest, Dividends and Rents ... ... Rs.		
Bonuses in Reduction of Premiums, less Re-insurances					
Commission (less that on Re-insurances)			Less—Income-tax thereon (*c*) ... ... Rs.		
Expenses of management (*a*) Agents' and Canvasser's allowance ...					
Salaries, etc., (other than to Agents and Canvassers)					
Travelling expenses					
Directors' fees					
Auditors' fees					
Medical fees					
Law charges					
Advertising, Printing and Stationery.					
Other expenses of management (Accounts to be specified)			Registration Fees		
Other payments (Accounts to be specified)					
Rents for offices belonging to and occupied by the company ...			Other Income (to be specified) ...		
Rents of other offices occupied by the company			Loss transferred to Profit and Loss Account		
Mysore and *Foreign* Taxes ...					
Bad Debts					
Other Expenditure (to be specified) ...			Transferred from Appropriation Account		
Profit transferred to Profit and Loss Account					
Balance of Life Insurance Fund at end of the period as shown in the Balance sheet					
Rs.			Rs.		

NOTES.

(*a*) If any sum has been deducted from this item and entered on the assets side of the balance-sheet, the amount so deducted must be shown separately.

(*b*) All single premiums for annuities, whether immediate or deferred, must be included under this heading.

(*c*) Mysore and *Foreign* income-tax on Interest, Dividends and Rents must be shown under this heading, less any rebates of Income-tax recovered from the revenue authorities in respect of expenses of management. The separate heading on the other side of the account is for Mysore and *Foreign* taxes, other than those shown under this item.

(*d*) In the case of an insurer having his principal place of business outside Mysore expenses of management for the total business need not be split up in the several sub-heads, if they are not so split up in his own country.

FORM H.

Summary and Valuation of the Policies of as at 19 .

Description of Transactions	Particulars of the Policies for Valuation					Valuation			
	Number of policies	Sums Assured	Bonuses	Office Yearly Premiums	Net Yearly Premiums	Sums Assured and Bonuses	Office Yearly Premiums	Net Yearly Premiums	Net Liabilities
DIVISION I.									
Insurances.									
Group A.—									
With immediate participation in profits.									
For whole term of life									
Other classes (to be specified) ...									
Extra premiums									
Total Insurances									
Deduct—Re-insurances									
Net insurances									
Group B.—									
With deferred participation in profits ...									
For whole term of life									
Other classes (to be specified) ...									
Extra premiums									
Total Insurances									
Deduct—Re-insurances									
Net insurances									
Group C.—									
Under discounted bonus systems ...									
For whole term of life									
Other classes (to be specified) ...									
Extra premiums									
Total Insurances									
Deduct—Re-insurances									
Net insurances									
Total insurances with profits ...									

Group D.—									
Without participation in profits ...									
For whole term of life ...									
Other classes (to be specified) ...									
Extra premiums									
Total insurances									
Deduct—Re-insurances... ...									
Net insurances									
Total insurances without profits ...									
Total of the insurances shown in all groups									
Deduct—Re-insurances									
Net amount of insurances									
Adjustments, if any (to be separately specified)									
DIVISION II.									
Annuities on Lives.									
Immediate Annuities									
Deferred Annuities with return of premiums									
Deferred Annuities without return of premiums									
Other classes (to be specified)... ...									
Total Annuities									
Deduct—Re-insurances									
Net Annuities on Lives									
Total of the results (after deduction of Re-insurances).									

NOTES.

1. Items in this Summary are to be stated to the nearest rupee.
2. No policy of insurance upon the lives of a group of persons, whereby sums assured are payable in respect of the several persons included in the group, is to be included in Groups A, B, C or D of this Form: any such policies must be shown in a separate Group which must be added to the Form.
3. If policies without participation in profits but with a guaranteed rate of bonus are issued they must be separately specified in Group D of this Form.
4. Policies under which there is a waiver of premiums during disability must be shown as a separate class.
5. Separate forms must be prepared in respect of classes of policies valued by different tables of mortality or at different rates of interest or involving the valuation of net premiums on different bases.
6. In cases where separate valuations of any portion of the business are required under local laws in places outside Mysore and reserves based on such valuations are deposited in such places, a statement must be furnished in respect of the business so valued in each such place showing the total number of policies, the total sums assured and bonuses, the total office yearly premiums, and the total net liability on the bases as to mortality and interest adopted in each such place with a statement as to such bases respectively.
7. Office and net premiums and the values thereof must be shown after deduction of abatements made by the application of bonus.

FORM I.

Valuation Balance-sheet of as at 19 .

	Rs.		Rs
Net liability under business as shown in the Summary and Valuation of Policies.		Balance of Life Insurance Fund as shown in the Balance-sheet.	
Surplus, if any		Deficiency, if any	

NOTE.—If the proportion of surplus allocated to the insurer, or in the case of an insurance company to shareholders, is not uniform in respect of all classes of insurances, the surplus must be shown separately for the classes to which the different proportions relate.

FORM J.

Specimen policy reserve values and minimum surrender values under a policy for Rs. 1,000.

Number of premiums paid	Age at entry 20		Age at entry 30		Age at entry 40		Age at entry 50.	
	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value	Reserve value	Minimum surrender value
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
15.								
20.								

NOTE.—Items in this Form to be stated to the nearest rupee.

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THE FIFTH SCHEDULE.

(SEE SECTION 13.)

Regulations for preparing statements of business in force and requirements applicable to such statements.

PART I—Regulations.

1. Statements prepared under this Schedule must be prepared, so far as practicable, in tabular form and must be identified by numbers and letters corresponding with those of the paragraphs of Part II of this Schedule.

2. Except with respect to rates of premium or contribution, items in statements prepared under this Schedule are to be shown to the nearest rupee.

3. Extra premium shown in the forms of Summary and Valuation prepared under the Fourth Schedule to this Act must not be included in statements prepared under this Schedule.

4. Every statement prepared under this Schedule shall be signed by the Actuary making the investigation in connection with which it is prepared.

5. For the purposes of this Schedule the following expressions have the meanings hereby respectively assigned to them, namely :—

(*a*) "Annual loading" means the provision made for future expenses and profits ;

(*b*) "Extra premiums" means a charge for any risk not provided for in the minimum contract premium ;

(*c*) "Net premiums" means the premiums taken credit for in the valuation in connection with which any statement is prepared ; and

(*d*) "Valuation date" means as respects any valuation the date as at which the valuation is made.

PART II.—Requirements for statements applicable to Life Insurance Business.

The statements required to be prepard under this Part of this Schedule are as follows, namely :—

1. Statements, separately prepared in respect of policies with and without participation in profits, showing—

(*a*) as respects policies for the whole term of life, the rates of office permiums charged, in accordance with the published tables in use, for new policies giving the rates for decennial ages at entry from 20 to 70 inclusive ; and

(*b*) as respects endowment insurance policies, the rates of office premiums charged, in accordance with the published tables in use, for new policies with original terms of ten, fifteen, twenty, thirty and forty years, giving the rates for decennial ages at entry from 20 to 40 inclusive, but excluding policies under which the age at maturity exceeds 60.

2. Statements, separately prepared in respect of policies with immediate profits, with deferred profits, with profits under discounted bonus systems, and without profits, showing in quinquennial groups—

(*a*) as respects policies for the whole term of life—

(*i*) the total amount assured (specifying sums assured and reversionary bonuses separately), grouped according to ages attained;

(*ii*) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable throughout life, and of the corresponding net premiums, grouped according to ages attained; and

(*iii*) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable for a limited number of years, and, either, the corresponding net premiums grouped in accordance with the grouping adopted for the purposes of the valuation, or, the annual loading reserved for the remaining duration of the policies, grouped according to ages attained;

(*b*) as respects endowment insurance policies—

(*i*) the total amount assured (specifying sums assured and reversionary bonuses separately), grouped in accordance with the grouping adopted for the purposes of the valuation; and

(*ii*) the amount per annum, after deducting abatements made by application of bonus, of office premiums payable, and of the corresponding net premiums, grouped in accordance with the grouping adopted for the purposes of the valuation:

Provided that—

(*a*) as respects endowment insurance policies which will reach maturity in less than five years, the information required by sub-paragraph (*b*) (*i*) of this paragraph must be given for each year instead of in quinquennial groups; and

(*b*) where the office premiums payable under policies for the whole time of life for a limited number of years, or the office premiums payable under endowment insurance policies, or the corresponding net premiums, are grouped for the purposes of the valuation otherwise than according to the number of years payments remaining to be made, or, where the sums assured under endowment insurance policies are grouped for the purposes of the valuation otherwise than according to the years in which the policies will mature for payment or in which they are assumed to mature if earlier than the true year, then, in any such case the valuation constants and an explanation of the method by which they are calculated must be given for each group, and in the case of the sums assured under endowment insurance policies a statement must also be given of the amount assured maturing for payment in each of the two years following the valuation date.

3. Statements as respects any policies in force under which premiums cease to be payable, whether permanently or temporarily, during disability arising from sickness or accident, showing the total amount of the office premiums payable.

4. Statements as respects immediate annuities on single lives for the whole term of life, separately prepared in respect of annuities on male and female lives, showing in quinquennial age groups the total amount of such annuities.

5. Statements as respects deferred annuities, separately prepared in respect of annuities on male and female lives, showing the specimen reserve values for annuities of one hundred rupees which will be produced on maturity on the basis of valuation adopted at ages, in the case of male lives, 60 and 65, and in the case of female lives, 55 and 60; the said statements must show the specimen reserve values which will be produced under the table of annual premiums in use for new policies, and if under any other table of annual premiums in use for any other deferred annuity policies in force smaller reserve values will be produced, the like specimens of these must also be given.

6. Statements as respects any policies of insurance upon the lives of a group of persons, whereby sums assured are payble in respect of the several persons included in the group, showing the total claims paid since the date as at which the last statements were prepared under this Part of this Schedule or, where no such statements have been prepared, since the date on which the insurer began to carry on the class of business to which the statements relate, and the reserves for unexpired risks and outstanding claims.

THE SIXTH SCHEDULE.

(SEE SECTION 55.)

Rule as to the valuation of the Liabilities of an Insurer in Insolvency or Liquidation.

The liabilities of an insurer in respect of current contracts effected in the course of life insurance business including annuity business, shall be calculated by the method and upon the basis to be determined by an Actuary approved by the Court, and the Actuary so approved shall, in determining as aforesaid, take into account—

(*a*) the purpose for which such valuation is to be made,

(*b*) the rate of interest and the rates of mortality and sickness to be used in valuation, and

(*c*) any special directions which may be given by the Court.

The liabilities of an insurer in respect of current policies other than life policies shall be such portion of the last premium paid as is proportionate to the unexpired portion of the policy in respect of which the premium was paid.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. 3811—*L. C., dated Bangalore,* 26*th May* 1938.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Societies Registration Act, 1904, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Societies Registration Act, 1904.

Whereas it is expedient to amend the Societies Registration Act, 1904; It is hereby enacted as follows:—

1. This Act may be called the Societies Registration (Amendment) Act, 193 .

2. Section 5 of the Societies Registration Act, 1904 (hereinafter referred to as the said Act), shall be numbered as clause (a) thereof and to that clause the following words shall be added at the end, namely,

"and a copy of the Balance Sheet together with a statement of receipts and expenditure audited by a person who has been granted a certificate by Government under section 144 of the Mysore Companies Act, 1917, shall also be filed with the Registrar of Joint-Stock Companies at the same time."

3. After clause (a) of section 5 of the said Act, the following clauses shall be inserted, namely,—

"(b) A filing fee of one rupee each shall be paid along with the list and the Balance Sheet referred to in clause (a). The said fee may be paid either by affixing Mysore Court Fee Stamps or by crediting the amount to any Government Treasury and by attaching the duplicate chellan to the documents."

"(c) if a Society fails to submit the returns as required by this section the Registrar shall call for the same to be submitted within a specified date, and if the Society still makes default in submitting the returns, the Registrar may levy a fine of Rs. 2 for every day during which the default continues. The fine so levied shall be recoverable as an arrear of land revenue."

4. After section 21 of the said Act, the following new section shall be added, namely,—

"22. The Government may make such rules as it thinks expedient for the carrying out of the purposes of this Act."

Statement of Objects and Reasons.

The Mysore Societies Registration Act, III of 1904, was framed on the model of the British Indian Societies Act XXI of 1860, which (with the exception of two minor amendments, Act XXII of 1927 and Act II of 1912) has not been amended.

According to section 5 of the Act, a Society is required to send a list of Members of the Governing Body and there

is no penal provision in the said Act to enforce its submission. Several Societies have been registered and there is no record whether they are working or not. There have been several complaints of mismanagement of Societies, and in the absence of any provision for the submission of "Receipt and Expenditure" accounts by these Societies, there is no check on their working.

There have been several representations in the Representative Assembly and Legislative Council, for measures to check effectively the management of these Societies.

Though in the year 1935, rules for the removal of the names of defunct Societies, and for the destruction of their records, etc., based on the rules in force in Madras, were introduced here also, yet these provisions have not improved the working of these Societies much.

In the last June Session of the Legislative Council it was urged, that rules, for the effective supervision of the Societies by demanding the annual audited Balance Sheets and Statements of Accounts and Reports, might be framed, and that on default by the Societies, registration might be cancelled. As most of the Societies receive Government grants it is necessary to have a check over their working.

With a view to secure effective control over the Societies, it is proposed to insist on the submission of a balance sheet and accounts audited by a person who has been granted a certificate by Government under section 144 of the Mysore Companies Act, 1917. The levy of a filing fee of rupee one, for each of the lists of members and the balance sheet is also provided for.

The Registrar is empowered to call for the above documents in case of default on the part of the Societies, and to levy, in his discretion, a fine of Rs. 2 per day of delay. To facilitate the recovery of fines, provision has been made for their recovery as arrears of Land Revenue.

Provision is also made empowering the Government to frame rules for carrying out the purposes of the Act.

NOTIFICATION.

No. 3880—L. C., dated Bangalore, 28th May 1938.

Under Rule 8 of the Rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the better control of the publication of newspapers and other printed works containing public news, is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to provide for the better control of the publication of newspapers and other printed works containing public news.

Preamble.

WHEREAS it is expedient to provide for the efficient control of the publication of newspapers and other printed works containing public news; It is hereby enacted as follows:—

Short tittle and extent.

1. (1) This Act may be called the Mysore Newspapers Act, 193 .

(2) It extends to the whole of Mysore.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,—

(1) "book" includes every volume, part or division of a volume, pamphlet and leaflet, in any language, and every sheet of music, map, chart or plan separately printed or lithographed;

(2) "document" includes also any painting, drawing or photograph or other visible representation;

(3) "Magistrate" means a District Magistrate;

(4) "newspaper" means any periodical work containing public news or comments on public news;

(5) "news-sheet" means any document other than a newspaper containing public news or comments on public news or any matter described in sub-section (1) of section 5;

(6) "press" includes a printing press and all machines, implements and plant and parts thereof and all materials used for multiplying documents;

(7) "printing press" includes all engines, machinery, types, lithographic stones, implements, utensils and other plant or materials used for the purpose of printing;

(8) "unauthorised newspaper" means:

(*a*) any newspaper in respect of which there are not for the time being valid declarations under section 5 of the Press and Registration of Books Act, 1867, as in force in Mysore; and

(*b*) any newspaper in respect of which security has been required under this Act, but has not been furnished as required; and

(*c*) any newspaper in respect of which permission of Government to publish has not been obtained or permission to which, if granted, has been withdrawn;

(9) "unauthorised news-sheet" means any news-sheet other than a news-sheet published by a person authorised under section 16 to publish it; and

(10) "undeclared press" means any press other than a press in respect of which there is for the time being a valid declaration under section 4 of the Press and Registration of Books Act, 1867, as in force in Mysore.

Permission to publish.

3. No newspaper shall, without the written permission of the Government be published, and any such permission may, at any time be withdrawn by the Government.

Control of Printing Presses and Newspapers.

Deposit of security by keepers of printing presses.

4. (1) Any person keeping a printing press who is required to make a declaration under section 4 of the Press and Registration of Books Act, 1867, as in force in Mysore, may be required by the Magistrate before whom the declaration is made, for reasons to be recorded in writing, to deposit with the Magistrate within ten days from the day on which the declaration is made, security to such an amount, not being more than one thousand rupees, as the Magistrate may in each case think fit to require, in money or the equivalent thereof in securities of the Government of Mysore as the person making the deposit may choose:

Provided that if a deposit has been required under sub-section (3) from any previous keeper of the printing press, the security which may be required under this sub-section may amount to three thousand rupees.

(2) Where security required under sub-section (1) has been deposited in respect of any printing press, and for a period of three months from the date of the declaration mentioned in sub-section (1) no order is made by the Government under section 5 in respect of such press, the security shall, on application by the keeper of the press, be refunded.

(3) Whenever it appears to the Government that any printing press, in respect of which security under the provisions of this Act has not been required, or having been required has been refunded under sub-section (2) is used for the purpose of printing or publishing any newspaper, book or other document containing any words, signs or visible representations of the nature described in section 5, sub-section (1), the Government may, by notice in writing to the keeper of the press stating or describing such words, signs or visible representations, order the keeper to deposit with the Magistrate within whose jurisdiction the press is situated security to such an amount, not being less than five hundred or more than three thousand rupees as the Government may think fit to require, in money or the equivalent thereof in securities of the Government of Mysore as the person making the deposit may choose.

(4) Such notice shall appoint a date, not being sooner than the tenth day after the date of the issue of the notice, on or before which the deposit shall be made.

Power to declare security or press forfeited in certain cases.

5. Whenever it appears to the Government that any printing press in respect of which any security has been ordered to be deposited under section 4 is used for the purpose of printing or publishing any newspaper, book or other document containing any words, signs or visible representations which—

(*a*) incite to or encourage, or tend to incite to or to encourage, the commission of any offence of murder or any cognizable offence involving violence, or

(*b*) directly or indirectly express approval or admiration of any such offence, or of any person, real or fictitious, who has committed or is alleged or represented to have committed any such offence, or which end directly or indirectly—

(*c*) to seduce any officer, sowar, driver or follower in the Mysore Military Forces or any police officer from his allegiance or his duty, or

(*d*) to bring into hatred or contempt His Majesty the King Emperor of India, or His Highness the Maharaja, or the Government established by law in British India and in the territories of His Highness the Maharaja, or the administration of justice in Mysore or any class or section of His Majesty the King Emperor of India's subjects in British India or His Highness the Maharaja's subjects in Mysore, or to excite disaffection towards His Majesty the King Emperor of India or His Highness the Maharaja or the said Governments, or

(*e*) to put any person in fear or to cause annoyance to him and thereby induce him to deliver to any person any property or valuable security or to do any act which he is not legally bound to do, or to omit to do any act which he is legally entitled to do, or

(*f*) to encourage or incite any person to interfere with the administration of the law or with the maintenance of law and order, or to commit any offence, or to refuse or defer payment of any land revenue, tax, rate, cess or other due or amount payable to Government, or to any local authority, or any rent of agricultural land or anything recoverable as arrears of or along with such rent, or

(*g*) to induce a public servant or a servant of a local authority to do any act or to forbear or delay to do any act connected with the exercise of his public functions or to resign his office, or

(*h*) to promote feelings of enmity or hatred between different classes of His Majesty the King Emperor of India's or His Highness the Maharaja's subjects, or

(*i*) to prejudice the recruiting of persons to serve in any of the Mysore Military Forces, or in any Police Force, or to prejudice the training, discipline or administration of any such force,

the Government may, by notice in writing to the keeper of such printing press stating or describing the words, signs or visible representations which in its opinion are of the nature described above:

(i) where security has been deposited, declare such security, or any portion thereof, to be forfeited to Government, or

(ii) where security has not been deposited, declare the press to be forfeited to Government, and may also

declare all copies of such newspaper, book or other document wherever found in Mysore to be forfeited to Government.

Explanation.—(i) No expression of approval or admiration made in a historical or literary work shall be deemed to be of the nature described in this sub-section unless it has the tendency described in clause (a).

(ii) Comments expressing disapprobation of the measures of the Government with a view to obtain their alteration by lawful means without exciting or attempting to excite hatred, contempt or disaffection shall not be deemed to be of the nature described in clause (d) of this sub-section.

(iii) Comments expressing disapprobation of the administrative or other action of the Government without exciting or attempting to excite hatred, contempt or disaffection, shall not be deemed to be of the nature described in clause (*d*) of this sub-section.

(iv) Words pointing out, without malicious intention and with an honest view to their removal, matters which are producing or have a tendency to produce feelings of enmity or hatred between different classes of His Majesty the King Emperor of India's or His Highness the Maharaja's subjects shall not be deemed to be words of the nature described in clause (*h*) of this sub-section.

(2) After the expiry of ten days from the date of the issue of a notice under sub-section (1) declaring a security, or any portion thereof, to be forfeited, the declaration made in respect of such press under section 4 of the Press and Registration of Books Act, 1867, as in force in Mysore, shall be deemed to be annulled.

Deposit of further security.

6. (1) Where the security given in respect of any press or any portion thereof, has been declared forfeited under section 5 or section 7, every person making a fresh declaration in respect of such press under section 4 of the Press and Registration of Books Act, 1867, as in force in Mysore, shall deposit with the Magistrate before whom such declaration is made security to such an amount, not being less than one thousand or more than ten thousand rupees as the Magistrate may think fit to require, in money or the equivalent thereof in securities of the Government of Mysore as the person making the deposit may choose.

(2) Where a portion only of the security given in respect of such press has been declared forfeited under section 5 or section 7, any unforfeited balance still in deposit shall be taken as part of the amount of security required under sub-section (1).

Power to declare further security and publications forfeited.

7. (1) If after security has been deposited under section 6, the printing press is again used for the purpose of printing or publishing any newspaper, book or other document containing any words, signs or visible representations which, in the opinion of the Government, are of the nature described in section 5, sub-section (1), the Government may, by notice in writing to the keeper of such printing press, stating or describing such words, signs or visible representations, declare—

(*a*) the further security so deposited, or any portion thereof, and

(*b*) all copies of such newspaper, book or other document wherever found in Mysore, to be forfeited to the Government.

(2) After the expiry of ten days from the issue of a notice under sub-section (1), the declaration made in respect of such press under section 4 of the Press and Registration of Books Act, 1867, as in force in Mysore, shall be deemed to be annulled.

Deposit of security by publisher of newspaper.

8. (1) Any publisher of a newspaper who is required to make a declaration under section 5 of the Press and Registration of Books Act, 1867, as in force in Mysore, may be required by the Magistrate before whom the declaration is made, for reasons to be recorded in writing to deposit with the Magistrate within ten days from the day on which the declaration is made, security to such an amount, not being more than one thousand rupees, as the Magistrate may in each case think fit to require, in money or the equivalent thereof in securities of the Government of Mysore as the person making the deposit may choose :

Provided that if a deposit has been required under sub-section (3) from any previous publisher of the newspaper, the security which may be required under this sub-section may amount to three thousand rupees.

(2) Where security required under sub-section (1) has been deposited in respect of any newspaper, and for a period of three months from the date of the declaration mentioned in sub-section (1) no order is made by the Government under section 9 in respect of such newspaper, the security shall, on an application by the publisher of the newspaper, be refunded.

(3) Whenever it appears to the Government that a newspaper published within Mysore in respect of which

security under the provisions of this Act has not been required, or having been required has been refunded under sub-section (2), contains any words, signs or visible representations of the nature described in section 5, sub-section (1), the Government may, by notice in writing to the publisher of such newspaper stating or describing such words, signs or visible representations, require the publisher to deposit with the Magistrate within whose jurisdiction the newspaper is published, security to such an amount, not being less than five hundred or more than three thousand rupees, as the Government may think fit to require, in money or the equivalent thereof in securities of the Government of Mysore as the person making the deposit may choose.

(4) Such notice shall appoint a date, not being sooner than the tenth day after the date of the issue of the notice, on or before which the deposit shall be made.

Power to declare security forfeited in certain cases.

9. (1) If any newspaper in respect of which any security to be deposited under section 8 contains any words, signs or visible representations which, in the opinion of the Government are of the nature described in section 5, sub-section (1), the Government may, by notice in writing to the publisher of such newspaper, stating or describing such words, signs or visible representations.—

(*a*) where the security has been deposited, declare such security, or any portion thereof, to be forfeited to the Government, or

(*b*) where the security has not been deposited, annul the declaration made by the publisher of such newspaper under section 5 of the Press and Registration of Books Act, 1867, as in force in Mysore, and may also declare all copies of such newspaper, wherever found in Mysore, to be forfeited to Government.

(2) After the expiry of ten days from the date of issue of a notice under sub-section (1) declaring a security or any portion thereof, to be forfeited, the declaration made by the publisher of such newspaper under section 5 of the Press and Registration of Books Act, 1867, as in force in Mysore, shall be deemed to be annulled.

Deposit of further security.

10. (1) Where the security given in respect of any newspaper, or any portion thereof, is declared forfeited under section 9 or section 11, any person making a fresh declaration under section 5 of the Press and Registration

of Books Act, 1867, as in force in Mysore, as publisher of such newspaper, or any other newspaper which is the same in substance as the said newspaper, shall deposit with the Magistrate before whom the declaration is made, security to such an amount, not being less than one thousand or more than ten thousand rupees, as the Magistrate may think fit to require, in money or the equivalent thereof in securities of the Government of Mysore as the person making the deposit may choose.

(2) Where a portion only of the security given in respect of such newspaper has been declared forfeited under section 9 or section 11, any unforfeited balance still in deposit shall be taken as part of the amount of security required under sub-section (1).

Power to declare further security and newspapers forfeited.

11. (1) If, after security has been deposited under section 10, the newspaper again contains any words, signs or visible representations which, in the opinion of the Government, are of the nature described in section 5, sub-section (1), the Government may, by notice in writing to the publisher of such newspaper, stating or describing such words, signs or visible representations, declare—

(*a*) the further security so deposited or any portion thereof, and

(*b*) all copies of such newspaper wherever found in Mysore, to be forfeited to the Government.

(2) After the expiry of ten days from the date of the issue of the notice under sub-section (1), the declaration made by the publisher of such newspaper under section 5 of the Press and Registration of Books Act, 1867, as in force in Mysore, shall be deemed to be annulled and no further declaration in respect of such newspaper shall be made save with the permission of the Government.

Penalty for keeping press or publishing newspaper without making deposit.

12. (1) Whoever keeps in his possession a press which is used for the printing of books or papers without making a deposit under section 4 or section 6 as required by the Government or the Magistrate as the case may be, shall, on conviction by a Magistrate, be liable to the penalty to which he would be liable if he had failed to make the declaration prescribed by section 4 of the Press and Registration of Books Act, 1867.

(2) Whoever publishes any newspaper without making a deposit under section 8 or section 10, as required by the Government or the Magistrate as the case may be,

or publishes such newspaper knowing that such security has not been deposited or publishes any newspaper without the permission of the Government as required under section 3 or after such permission has been withdrawn shall, on conviction by a Magistrate, be liable to the penalty to which he would be liable if he had failed to make the declaration prescribed by section 5 of the Press and Registration of Books Act, 1867.

Consequence of failure to deposit security as required.

13. (1) Where a deposit is required from the keeper of a printing press under section 4 such press shall not be used for the printing or publishing of any newspaper, book or other document after the expiry of the time allowed to make the deposit until the deposit has been made, and where a deposit is required from the keeper of a printing press under section 6, such press shall not be so used until the deposit has been made.

(2) Where any printing press is used in contravention of sub-section (1), the Government may, by notice in writing to the keeper thereof, declare the press to be forfeited to the Government.

(3) Where a deposit is required from the publisher of a newspaper under section 8 and the deposit is not made within the time allowed, the declaration made by the publisher under section 5 of the Press and Registration of Books Act, 1867, as in force in Mysore shall be deemed to be annulled.

Return of deposited security in certain cases.

14. Where any person has deposited any security under this Act and ceases to keep the press in respect of which such security was deposited, or being a publisher, makes a declaration under section 8 of the Press and Registration of Books Act, 1867, as in force in Mysore, he may apply to the Magistrate within whose jurisdiction such press is situate for the return of the said security; and thereupon such security shall, upon proof to the satisfaction of the Magistrate and subject to the provisions hereinbefore contained, be returned to such person.

Issue of search warrant.

15. Where any printing press is or any copies of any newspapers, book or other document are declared forfeited to Government under section 5, section 7, section 9, section 11, or section 13, the Government may direct a Magistrate to issue a warrant empowering any police officer, not below the rank of a Sub-Inspector, to seize and detain any property ordered to be forfeited and to enter upon and search for such property in any premises.

(i) Where any such property may be or may be reasonably suspected to be; or

(ii) where any copy of such newspaper, book or other document is kept for sale, distribution or publication or public exhibition or is reasonably suspected to be so kept.

Unauthorised news-sheets and newspapers.

Authorisation of persons to publish news-sheets.

16. (1) The Magistrate may, by order in writing and subject to such conditions as he may think fit to impose, authorise any person by name to publish a news-sheet, or to publish news-sheets from time to time.

(2) A copy of an order under sub-section (1) shall be furnished to the person thereby authorised.

(3) The Magistrate may at any time revoke an order made by him under sub-section (1).

Power to seize and destroy unauthorised news-sheet and newspapers.

17. (1) Any Police Officer, or any other person empowered in this behalf by the Government, may seize any unauthorised news-sheet or unauthorised newspaper, wherever found.

(2) Any District Magistrate, Sub-Divisional Magistrate or Magistrate of the First Class may by warrant authorise any police officer not below the rank of Sub-Inspector to enter upon and search any place where any stock of unauthorised news-sheets or unauthorised newspapers may be or may be reasonably suspected to be, and such police officer may seize any documents found in such place which, in his opinion, are unauthorised news-sheets or unauthorised newspapers.

(3) All documents seized under sub-section (1) shall be produced as soon as may be before a District Magistrate, Sub-Divisional Magistrate or Magistrate of the First Class and all documents seized under sub-section (2) shall be produced as soon as may be before the Court of the Magistrate who issued the warrant.

(4) If, in the opinion of such Magistrate or Court, any of such documents are unauthorised news-sheets or unauthorised newspapers, the Magistrate or Court may cause them to be destroyed. If, in the opinion of such Magistrate or Court, any of such documents are not unauthorised news-sheets or unauthorised newspapers, such Magistrate or Court shall dispose of them in the manner provided in sections 523, 524 and 525 of the Code of Criminal Procedure, 1904.

Powers to seize and forfeit undeclared presses producing unauthorised news-sheets and newspapers.

18. (1) Where a District Magistrate or Sub-Divisional Magistrate has reason to believe that an unauthorised news-sheet or unauthorised newspaper is being produced from an undeclared press within the limits of his jurisdiction, he may by warrant authorise any police officer not below the rank of Sub-Inspector to enter upon and search any place wherein such undeclared press may be or may be reasonably suspected to be, and if, in the opinion of such police officer, any press found in such place is an undeclared press and is used to produce an unauthorised news-sheet or unauthorised newspaper, he may seize such press and any documents found in the place which in his opinion are unauthorised news-sheets or unauthorised newspapers.

(2) The police officer shall make a report of the search to the Court which issued the warrant and shall produce before such Court, as soon as may be, all property seized :

Provided that where any press which has been seized cannot be readily removed, the police officer may produce before the Court only such parts thereof as he may think fit.

(3) If such Court, after such inquiry as it may deem requisite, is of opinion that a press seized under this section is an undeclared press which is used to produce an unauthorised news-sheet or unauthorised newspaper, it may, by order in writing, declare the press to be forfeited to the Government. If after such inquiry the Court is not of such opinion, it shall dispose of the press in the manner provided in sections 523, 524 and 525 of the Code of Criminal Procedure, 1904.

(4) The Court shall deal with documents produced before it under this section in the manner provided in sub-section (4) of section 17.

Penalty for disseminating unauthorised news-sheets and newspapers.

19. (1) Whoever makes, sells, distributes, publishes or publicly exhibits or keeps for sale, distribution or publication, any unauthorised news-sheet or newspapers, shall be punishable with imprisonment which may extend to six months, or with fine, or with both.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, 1904, any offence punishable under sub-section (1), and any abetment of any such offence shall be cognizable.

Special provisions relating to the seizure of certain documents.

Forfeiture of newspaper, etc., containing objectionable matters.

20. Where any newspaper, book or other document wherever made appears to the Government to contain any words, signs or visible representations of the nature described in section 5, sub-section (1), the Government may, by notification in the Official Gazette, stating the grounds of its opinion, declare every copy of the issue of the newspaper and every copy of such book or other document to be forfeited to the Government and thereupon any police officer may seize the same wherever found in Mysore and any Magistrate may by warrant authorise any police officer not below the rank of Sub-Inspector to enter upon and search for the same in any premises where any copy of such issue or any such book or other document may be reasonably suspected to be.

Non-transmission by Post.

21. No unauthorised news-sheet or unauthorised newspaper shall be transmitted by post.

Application to High Court to set aside order of forfeiture.

22. (1) The keeper of a printing press who has been ordered to deposit security under sub-section (3) of section 4 or the publisher of a newspaper who has been ordered to deposit security under sub-section (3) of section 8, or any person having an interest in any property in respect of which an order of forfeiture has been made under section 5, section 7, section 11 or section 20 may, within two months from the date of such order, apply to the High Court to set aside such order, and the High Court, shall decide if the newspaper, book or other document in respect of which the order was made did or did not contain any words, signs or visible representation of the nature described in section 5, sub-section (1).

(2) The keeper of a printing press in respect of which an order of forfeiture has been made under sub-section (2) of section 13 on the ground that it has been used in contravention of sub-section (1) of that section may apply to the High Court to set aside the order on the ground that the press was not so used.

Hearing by Special Bench.

23. Every such application shall be heard and determined by a Special Bench of the High Court consisting of not less than two Judges.

Order of Special Bench setting aside forfeiture.

24. (1) If it appears to the Special Bench on an application under sub-section (1) of section 22 that the words, signs or visible representations contained in the

newspaper, book or other document in respect of which the order in question was made were not of the nature described in section 5, sub-section (1), the Special Bench shall set aside the order.

(2) If it appears to the Special Bench on an application under sub-section (2) of section 22 that the printing-press was not used in contravention of sub-section (1) of section 13, it shall set aside the order of forfeiture.

(3) Where there is a difference of opinion among the Judges forming the Special Bench, the decision shall be in accordance with the opinion of the majority of those Judges.

(4) Where there is no such majority which concurs in setting aside the order in question, the order shall stand.

Evidence to prove nature or tendency of newspaper.

25. On the hearing of an application under sub-section (1) of section 22 with reference to any newspaper, any copy of such newspaper published after the commencement of this Act may be given in evidence in aid of the proof of the nature or tendency of the words, signs or visible representations contained in such newspapers, in respect of which the order was made.

Procedure in High Court.

26. The High Court shall, as soon as conveniently may be, frame rules to regulate the procedure in the case of such applications, the amount of the costs thereof and the execution of orders passed thereon, and until such rules are framed, the practice of such Court in proceedings other than suits and appeals shall apply, so far as may be practicable, to such applications.

Supplemental.

Service of Notices.

27. Every notice under this Act shall be sent to a Magistrate, who shall cause it to be served in the manner provided for the service of summonses under the Code of Criminal Procedure, 1904:

Provided that if service in such manner cannot by the exercise of due diligence be effected, the serving officer shall, where the notice is directed to the keeper of a press, affix a copy thereof to some conspicuous part of the place where the press is situate, as described in the keeper's declaration under section 4 of the Press and Registration of Books Act, 1867, as in force in Mysore and where the notice is directed to the publisher of a newspaper, to some conspicuous part of the premises where the publication of

such newspaper is conducted, as given in the publisher's declaration under section 5 of the said Act; and thereupon the notice shall be deemed to have been duly served.

Conduct of search.

28. Every warrant issued under this Act, shall so far as it relates to a search, be executed in the manner provided for the execution of search warrants under the Code of Criminal Procedure, 1904.

Jurisdiction barred.

29. Every declaration of forfeiture purporting to be made under this Act shall, as against all persons, be conclusive evidence that the forfeiture therein referred to has taken place, and no proceeding purporting to be taken under this Act shall be called in question by any Court, except the High Court on application under section 22 and no civil or criminal proceeding, except as provided by this Act, shall be instituted against any person for anything done or in good faith intended to be done under this Act.

Operation of other laws not barred.

30. Nothing herein contained shall be deemed to prevent any person from being prosecuted under any other laws for any act or omission which constitutes an offence against this Act.

Declarations before whom to be made.

31. All declarations required to be made under section 4, section 5 and section 8 of the Press and Registration of Books Act of 1867 as in force in Mysore shall be made before a District Magistrate.

Repeal.

32. The Mysore Newspapers Act III of 1908 is hereby repealed.

Statement of Objects and Reasons.

The repeal of the Newspaper Act, 1908, has been several times urged in the Representative Assembly and the Legislative Council. A request was made in the Representative Assembly at its last Dasara Session that the present Act may be repealed and if necessary, one more or less on the lines of the British Indian Act placed on the Statute Book. Government expressed willingness to replace the present Act by an Act on nearly the same lines as the law in force in British India and this Bill has been accordingly prepared. The main principles of the Bill are as follows :—

1. The permission of Government must be obtained before the publication of a newspaper as heretofore.

2. The Magistrate before whom declaration is made may demand security either from the keeper of the

press or from the publisher of the newspaper under certain circumstances.

3. The Government may, if it appears to them that the press is used for printing or publishing objectionable matter such as incitement to the commission of an offence, seduction of military, sedition, etc., declare the security forfeited or, where no security is deposited, declare the press to be forfeited and the declaration made under the Press and Registration of Books Act, shall be annulled.

4. Where the security has been forfeited, any person making a fresh declaration in respect of such press or newspaper shall deposit a security of a larger amount.

5. If the press or the newspaper is again used for printing or publishing objectionable matter, the Government may forfeit the further security and the fresh declaration shall be annulled. No further declaration in respect of such newspaper shall be made save with the permission of the Government.

6. Failure to deposit security which is ordered is subject to the same penalty as the one to which the person would be liable for failure to make a declaration under the Press and Registration of Books Act.

7. Where a press or copies of a newspaper are declared forfeited, a Magistrate may authorise the Police to search for and seize them.

8. Unauthorised news-sheets or newspapers may be seized or destroyed.

9. Selling, publishing or keeping for sale or publication of any unauthorised news-sheet or newspaper is made punishable.

10. Any newspaper, book or document which appears to Government to contain objectionable matter may be declared to be forfeited.

11. Provision is made for application to the High Court against the orders of Government demanding security either from the keeper of the press, or from the publisher of a newspaper, or from an order of Government forfeiting the press or security deposited by such persons.

The bill closely follows the Criminal Law Amendment Act of 1935. The penalty of deportation fixed in certain cases under the existing Act is removed and imprisonment is substituted for certain offences.

NOTIFICATION.

No. 3917—*L. C., dated Bangalore* 30*th May* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill for the Regulation of Public Parks in Mysore is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill for the Regulation of Public Parks in Mysore.

Whereas it is expedient to protect public parks and gardens in Mysore from injury, and to secure the public from molestation and annoyance while resorting to such parks and gardens;

It is hereby enacted as follows :—

1. (1) This Act may be called the Mysore Public Parks Act, 193 .

(2) It may be applied to any public park or garden in Mysore by notification of the Government in the official Gazette.

2. In this Act, unless there is anything repugnant in the subject or context—

Definitions.

(*a*) "Park" means any public park or garden to which this Act applies,

(*b*) "Superintendent" means the person in executive charge of a park; and for the purposes of section 6, sub-section (2), includes also (i) an assistant superintendent of a park and (ii) any member of the Managing Committee (if any) of a park; and

(*c*) "park watchman" means any person appointed by the superintendent, or by the authority to whom the superintendent is subordinate to act as a watchman of the park.

Power to extend boundaries of park.

3. The Government may, by notification in the official Gazette, declare that any specified land, bridge or pontoon shall, for the purposes of this Act, be deemed to be included in any park.

4. (1) The Government may make rules for the management and preservation of any park, and for regulating the use thereof by the public.

(2) In particular, and without prejudice to the generality of the foregoing power such rules may—

(*a*) regulate the admission of persons, horses and ponies and carriages, palanquins and other conveyances, into the park, and prescribe fees to be paid therefor;

(*b*) prohibit or regulate the holding of any public meeting, demonstration or picnic parties in the park;

(*c*) prohibit or regulate the bringing of dogs, motor vehicles, bicycles or tricycles into the park;

(*d*) prohibit the doing of all or any of the following things, by persons other than employees of the park, that is to say, plucking or gathering anything growing in the park, breaking trees, branches or plants, cutting names or marks on trees, disfiguring buildings, furniture or monuments, removing furniture, removing or disfiguring labels or marks attached to trees or plants;

(*e*) prohibit the purchase of any produce of the park otherwis than from the superintendent or some other authorised person;

(*f*) prohibit shooting, bird nesting, the catching of butterflies, or any act of cruelty;

(*g*) prohibit or regulate fishing or boating and prescribe fees to be paid by persons obtaining permission to fish or to use boats;

(*h*) prohibit bathing, or the pollution of water by any other means:

(*i*) prohibit the grazing of horses, ponies or cattle;

(*j*) prohibit the teasing or annoying of animals or birds kept in the park;

(*k*) prohibit the commission of any nuisance, or the molestation or annoyance of any person resorting to the park.

(3) In making any rule under this section, the Government may direct that a breach thereof shall be punishable with fine which may extend to one hundred rupees.

(4) The power to make rules under this section is subject to the condition that they shall be made after previous publication.

(5) All rules made under this Section shall be published in the official Gazette.

Exhibition of copies of notifications and rules in park.

5. One or more copies in English and in one or more vernacular languages, of every notification published under seetion 3, and of all rules made under section 4 for observance by persons resorting to a park, and for the time being in force, shall be put in the park in such

conspicuous manner as the Superintendent may deem best calculated to give information to such persons.

Refusal of offender to give name and residence.

6. (1) If any person in the presence of a park watchman in uniform, has committed or has been accused of committing a breach of any rule made under section 4, and who is unknown to such watchman, refuses, on demand of such watchman, to give his name and residence, or gives a name or residence which such watchman has reason to believe to be false, such person may be detained by such watchman in order that his name or residence may be ascertained.

(2) When any person is detained under sub-section (1) he shall forthwith be taken to the Superintendent or if the Superintendent be not present in the park or its immediate precints, such person shall be taken to the nearest police station, or if he so requests, to the nearest Magistrate having jurisdiction to try him.

(3) If the true name and residence of any person so taken to the Superintendent be not ascertained within a reasonable time, the Superintendent, shall forthwith send for an officer of police, and shall then deliver him into the custody of such officer, to be taken to the nearest police station.

(4) If the true name and residence of any person taken to a police station under this section be not ascertained within a reasonable time, he shall forthwith be forwarded to the nearest Magistrate having jurisdiction to try him.

(5) When the true name and residence of any person detained under this section have been ascertained he shall be allowed to depart.

(6) No person shall be detained under this section for a longer period than twelve hours.

Superintendent and park watchman deemed as "public servants."

7. Every superintendent and park watchman shall, for the purposes of the Indian Penal Code, as in force in Mysore, be deemed to be a public servant.

General powers and duties of park watchman.

8. Every park watchman shall, in addition to any powers and immunities specially conferred on him by this Act or by rules made hereunder, have, within the limits of the park to which he is appointed all such powers, privileges and immunities, and shall, within the said limits, be liable to all such duties and responsibilities, as a police constable has and is liable to within the limits of the police station, in which such park is comprised :

Provided that every park watchman shall be subordinate to the superintendent.

General powers of police-constables.

9. Every police-constable employed within the limits of a police-station shall have, within any park comprised in such limits, the powers, privileges and immunities conferred on a park watchman by this Act and any rules made hereunder.

Statement of objects and reasons.

Government have been maintaining large parks and gardens for the benefit of the public resorting to them for recreation purposes. Of late the Superintendents of the Lalbagh and other gardens and parks are finding it difficult to control the public who are visiting such gardens and parks in large numbers. There have been complaints that some of them pollute water sources and misuse the roads and lawns and drive motor vehicles at high speed endangering the pedestrians who resort to such places for purposes of recreation. In the absence of proper legislation, the rules cannot be enforced with the result that gardens and parks do not fully serve the purpose for which they are maintained. It is therefore considered necessary that power should be taken to regulate the entry into the parks of conveyances and persons and prohibit the doing of certain acts which are likely to interfere with innocent enjoyment of public recreation centres.

The accompanying Bill is intended to serve these objects.

NOTIFICATION.

No. 3919—*L. C. Bangalore,*
Dated 30*th May* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to restrict the transfer of Mysore Government Savings Certificates and provide for the payment of Certificates standing in the name of deceased persons is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to restrict the transfer of Mysore Government Savings Certificates and provide for the payment of Certificates standing in the name of deceased persons.

Whereas it is expedient to restrict the transfer of Mysore Government Savings Certificates and to provide for the payment of Certificates standing in the name of deceased persons; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (1) This Act may be called the Mysore Government Savings Certificates Act, 193 .

(2) It extends to the whole of Mysore.

(3) It will come into force at once.

Prohibition of transfer of Mysore Government Savings Certificates without the consent of the Treasury Officers.

2. (1) Notwithstanding any provision in any enactment or any rule of law for the time being in force to the contrary, no transfer of a Mysore Government Savings Certificate shall be valid without the previous consent in writing of the officer in charge of the treasury in whose books it is for the time being registered.

(2) In this connection "transfer" means a transfer *inter vivos* and does not include a transfer by operation of law.

Payment on death of holder of Mysore Government Savings Certificate.

3. (1) If a person dies and is at the time of his death the holder of a Mysore Government Savings Certificate, payment of the sum for the time being due on such Certificate may be made in the manner provided in the Savings Banks Act V of 1873 for the payment of deposits belonging to the estates of deceased persons, and the provisions of sections 4 to 9 of the said Act shall apply accordingly as if the holder of such Certificate were a depositor in a Government Savings Bank and the sum for the time being due on such Certificate were a deposit in such a Bank.

Provided that the powers conferred by the said provisions on the Secretary of a Government Savings Bank shall be exercisable by the Comptroller.

Provided further that, where in any one case payment, is to be made of Certificates issued from more treasuries than one, the said powers shall be exercisable by the Comptroller.

(2) Nothing in sub-section (1) shall be deemed to require any person to accept payment of the amount due on a Mysore Government Savings Certificate before the same has reached maturity.

4. (1) Notwithstanding anything in section 45 of the Indian Contract Act 1872 as in force in Mysore, when a Government Savings Certificate is payable to two or more persons jointly and either or any of them dies, the Certificate shall be payable to the survivor or survivors of those persons and when all the joint holders are dead, it shall be payable to the registered nominee, and in the absence of nomination, to the representative of the last surviving joint holder in accordance with the provisions contained in section 3.

(2) This section shall apply whether such death occurred or occurs before or after this Act comes into force.

(3) Nothing herein contained shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any certificate to which sub-section (1) applies.

Statement of objects and reasons.

With a view to afford further facilities for investment of savings, Government have sanctioned the issue of "Savings Certificates" as an adjunct to Government Savings Banks.

It is proposed to permit the transfer of Savings Certificates only with the permission of the officer in charge of the treasury where these are registered for the time being. This restriction will not be operative in the absence of special legislation.

It is also necessary to provide by legislation for the payment of Certificates standing in the name of deceased persons in the same way as Government Savings Banks Deposits forming part of the estate of such persons to the heirs of the deceased or to the nominees if any.

It is accordingly proposed to introduce a Bill on the lines of the Government of India Act XVIII of 1917.

Opportunity has at the same time been taken to provide by legislation for the payment of Certificates standing in the names of joint holders when some or all the joint holders are dead, in the manner provided in section 4 of the Securities Act.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. 3926—L. C., Bangalore, dated 31st May 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Mysore Cigarette-Tobacco Safeguarding Bill is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

The Mysore Cigarette-Tobacco Safeguarding Bill

A Bill to provide for the development of Cigarette-tobacco cultivation and for safeguarding the insterests of Cigarette-tobacco cultivators in Mysore.

Whereas it is expedient for the fostering and development of Cigarette-tobacco cultivation in Mysore to take power for controlling the seed supply and the curing and marketing of Cigarette-tobacco in the State and for safeguarding the interests of tobacco cultivators; it is hereby enacted as follows:—

1. This Act shall be called the Mysore Cigarette-tobacco Safeguarding Act.

2. (1) It extends to the whole of Mysore.

(2) It shall come into operation from such date as the Government may by notification in the official Gazette direct.

3. In this Act, unless there is anything repugnant in the subject or context.—

(*a*) "Cigarette-tobacco" shall include the following varieties, *viz.*, Harrison Special, Cash, Adcock, Burley and all other flue-cured varieties of tobacco used for the manufacture of cigarettes;

(*b*) "Barn" means any structure in which raw tobacco leaf is cured by heat radiating from flue-pipes or tubes connected with an oven or a plant generating steam or electricity;

(*c*) "Seed-bed" means earthen beds in which tobacco seed is sown and seedlings raised;

(*d*) "License" means a license granted under this Act and 'Licensed' and 'Licensee' shall have corresponding meanings.

(*e*) "Prescribed" means prescribed by rules made under this Act.

4. (1) It shall be lawfull for the Government to grant to any person or persons on such conditions and for such periods as may seem fit, licenses for raising seed-beds for supply of seedlings to growers and for the construction of barns for curing Cigarette-tobacco.

(2) Such conditions in regard to seed-beds may specify the source from which the seed may be obtained, the places where seed-beds are to be located, the preventive measures to be taken against insect pests and plant diseases and other matters relating to the proper preparation of seedlings;

(3) Such conditions in regard to the construction of barns by growers to cure tobacco grown by them may specify the localities and places where they are to be constructed, the kind of material to be used, the dimensions of the barn, the oven, and flue-pipes and chimneys.

(4) Where such barns are proposed to be constructed by curers for curing tobacco grown by others, such conditions may also prescribe and limit the zones within which they may take up the curing of tobacco grown by cultivators and the distance to be observed from the nearest existing barn and also the extent of tobacco area corresponding to a barn, the minimum prices to be paid for leaves under agreements to be entered into by them in writing which the growers before transplantation of seedlings.

5. It shall not be lawful for any person after the expiration of three months from the coming into force of this Act to carry on the business of raising seed-beds or the construction of barns for curing Cigarette-tobacco except under the authority and subject to the terms and conditions of a license granted in accordance with the provisions of this Act.

6. The decision of the Government as to whether a license may or may not be granted shall be final.

7. The Government may by special or general order require the applicant for a license or a licensee or any person who being a partner, proprietor, manager or an officer of a company or factory is able to give information, to furnish such information within such time as they may fix.

8. For the purpose of this Act and the rules framed thereunder the Director of Agriculture or any officer authorised by him shall have the right of access to any land or premises wherein tobacco seed-beds, or curing barns are located and into any land where Cigarette-tobacco is cultivated for examination with reference to the prevalence of insect pests or plant diseases and to all other relevent matters within the purview of this Act and the Rules thereunder.

9. The Director of Agriculture or any officer to whom this power is delegated by him with the approval of Government shall have the power to order the destruction of all tobacco seedlings or plants which in his opinion are so badly infested with pest or diseases or parasite as to

be a source of the spread of such pest, parasite or disease. The decision of the Director of Agriculture on this point shall be final.

10. On default of the party to comply with the said order the Director of Agriculture shall have the power to arrange for the destruction of such affected plants—the cost incurred for such destruction being recoverable in the same manner as arrears of land revenue.

11. The Government may by notification in the Official Gazette, make rules requiring the owners of curing barns in Mysore to make such returns to them, prescribing the form of such returns, the dates of their submission and the authority to whom they shall be submitted.

12. It shall be permissible for any seller of cured Cigaratte-tobacco to sell them ungraded; but where a different description does not expressly appear in the terms of a contract, the several grades of cured tobacco for purposes of marketing shall be resumed to be the grades indicated in the Schedule appended to this Act.

13. (1) Whoever contravenes any of the provisions of this Act or of the rules made thereunder shall be punishable with fine which may extend to rupees five hundred or in case of continued contravention with a fine which may extend to rupees Fifty for every day during which the contravention is continued after conviction therefor.

(2) Any person who (a) refuses or neglects to furnish any information required to be furnished for the purpose of this Act or rules made thereunder, (b) refuses access to the Director of Agriculture or officer authorised by him for inspection of seed-beds, cultivation and curing, or (c) fraudulently uses or permits to be used any license issued under this Act, shall be punishable with fine which may extend to rupees one hundred.

14. Where the person guilty of an offence under this Act is,—

(*a*) an Association or Firm, every partner, member, manager, or secretary and other officer thereof who is knowingly a party to the default, and

(*b*) a Company, every Director, Manager, Secretary and other officer thereof who is knowingly a party to the default,

shall also be guilty of the like offence and liable to the like punishment.

15. No offence made punishable by this Act or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

16. No prosecution under this Act shall be instituted except with the sanction of the Director of Agriculture.

17. No suit or other legal proceedings shall be instituted against any person in respect of anything which is in good faith done or intended to be done under this Act.

18. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing powers such rules may provide for,—

(*a*) the fixing of the price or prices at which the raw tobacco leaves shall be purchased by the curers,

(*b*) the levying of fees in respect of licenses granted under this Act,

(*c*) the conditions and limitations subject to which a license may be granted,

(*d*) the establishing of advisory committees for the purpose of fixing the price or prices at which raw Cigarette-tobacco leaf shall be purchased by a curer and defining the powers, functions and procedure of such committees, and

(*e*) the records, registers and accounts to be maintained for ensuring compliance with the provisions of this Act.

SCHEDULE.

Grade designations and definition of quality of unmanufactured Flue-cured Cigarette-tobacco grown in Mysore.

Grade designation	Special characteristics			
	Colour	Texture	Tolerance	
			Blemish*	Damage†
1	Bright lemon ...	Fine silky ...	Nil ...	Nil
2	Lemon ...	Good or medium...	Greenish tinge at veins.	Nil
3	Orange lemon ...	Do ...	10 per cent ...	Nil
4	Lemon with green patches	Medium ...	15 ,, ...	5 per cent.
5	Bright brown ...	Thin (not papery)	20 ,, ...	10 ,,
6	Bright reddish brown and green.	Medium—not inferior to Grade IV	25 ,, ...	15 ,,
7	Usable scraps and rejections.	...	30 ,, ...	20 ,,

(*) "Blemish" shall include green patches, brown spots and patches and damage due to pests or breakage in handling.

(†) "Damage" shall include sponginess, scalding, black spot, disease perished leaf or other damage. The percentages stated in columns 4 and 5 refer to the proportion of the total area of leaf affected in any sample.

Statement of Objects and Reasons.

The Virginia type of tobacco used for the manufacture of cigarettes has commenced to be grown and cured in Mysore and its cultivation is gradually spreading. It is a variety of tobacco which has bright future prospects in Mysore. In the interests of the safe expansion of cultivation of this variety of tobacco and to check the spread of insect pests and plant diseases which are likely to cause heavy damage to the crop and thus permanently injure the prospects of its future expansion, it is proposed in this Bill to regulate the raising of seed-beds for supply of seedlings to the growers and the construction of curing barns by the issue of licenses. It is equally necessary to safeguard the interests of the growers by fixing the minimum price to be paid by curers, like the Mysore Tobacco Company, to the growers. The Bill also provides for the destruction of plants infested with pests or diseases to prevent the spread of pests or diseases. Where tobacco is to be sold in grades and not as ungraded, the Bill indicates the standards of the grades to be adopted for purposes of marketing. The standard for each grade as adopted in the Bill is the same as those adopted by the Government of India in their Agricultural Produce Marketing Rules relating to tobacco.

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PART IV

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1966—R. T. 10-37-9, dated Bangalore, 3rd January 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928 and Sections 5, 23 and 33 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following rule fixing the period of use in the case of Public Service Motor Vehicles, the draft rule in the said behalf having been already published with Notification No. T. 1140—R. T. 18-37-1, dated 29—30th September 1937, at page 255, Part IV of the *Mysore Gazette*, dated 7th October 1937.

RULE.

After Rule 4 of the rules relating to Public Service Motor Vehicles Rules notified with Notification No. P. 3992—Legis. 46-35-17, dated 18th December 1935, as amended from time to time, the following rule shall be added as Rule 4-A :—

"4-A. No permit to ply for hire in Mysore shall be granted to any motor bus or lorry which is more than five years old from the date of its original registration."

No. T. 1978.—R. T. 10-37-10, dated Bangalore, 3rd January 1938.

The following draft amendments which the Government of His Highness the Maharaja propose to make in exercise of the powers conferred upon them by Section 11 of the Mysore Motor Vehicles Act, 1928, to Rule 30 of the Rules regarding Public Service Motor Vehicles published under Notification No. P. 3992—Legis. 46-35, dated 18th December 1935, are hereby published for the information of persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 20th January 1938 and any suggestions or objections received on or before the said date in respect of the said draft from any person will be considered by Government.

Draft Amendments.

Number the existing Rule 30 of the Rules regarding Public Service Motor Vehicles as 30 (1) and insert the following as 30 (2).—

"30 (2). (i) The District Magistrate or, with his approval, the District Superintendent of Police, in the case of any municipality within his jurisdiction, may, in consultation with municipal authorities, fix stopping places for motor buses licensed to ply for hire within such municipal limits. The Municipality shall indicate such stopping places, by means of Notice Boards posted for the purpose. The driver of every such bus shall stop the same at such stopping places when required for the purpose of setting down passengers or when signalled to do so by any member of the public, unless the maximum number of passengers the bus is allowed to carry has been reached. Halts for setting down or taking up passengers shall be limited to the time reasonably necessary for such purpose.

(ii) On routes along which stopping places have been fixed, no driver of a bus shall stop the bus at any place other than the stopping places so fixed, except—

(*a*) when failure to stop the bus would constitute an offence punishable under the Mysore Motor Vehicles Act, 1928, or under any other law for the time being in force; or

(*b*) in the case of a mechanical breakdown; or

(c) when required to do so by any Magistrate of or above the Second Class; by an Inspector of Motor Vehicles; or by a person empowered to stop the bus under the Mysore Police Act No. V of of 1908.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. G. 4959—P. H. 44-37-9, dated Bangalore, the 24th December 1937.

Under Section 20 of the Mysore Prevention of Adulteration Act, IX of 1921, as amended by Acts IV of 1929 and IV of 1930, Government are pleased to make the rules issued with Government Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 annexed hereto, applicable to the Hoskote Municipality.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act, IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved

that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of

visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an un-ambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which

shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

No. L. 5737—*Ml.* 74-37-24, *dated Bangalore, the 4th January* 1938.

In exercise of the powers conferred by Section 23 (2b) and (4) of the Mysore City Municipalities Act, 1933, the Government of His Highness the Maharaja are pleased to issue the following amendments to the rules issued under Government Order No. L. 3957—Ml. 56-24-14, dated 26th November 1924, for regulating the election of the President and the Vice-President of a City Municipal Council :—

Add the following as sub-rule (*d*) to Rule I, the present sub-rule (*d*) being re-numbered as (*e*) :—

1. "(*d*) When an elected President or Vice-President vacates office on the expiry of the term limited to one year under proviso to Section 23 (12), at a meeting of the Council held not later than one month from the date of occurrence of the vacancy."

2. In the proviso to Rule (1), omit the words "during the said period of one or two months as the case may be."

By Order,

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

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BANGALORE, THURSDAY, JANUARY 13, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. T. 2052—*R. T.* 53-36-14, *dated Bangalore, the 8th January* 1938.

The following draft rules which the Government propose to make in virtue of the powers vested in them under Section 33 of the Mysore Road Traffic and Taxes Regulation VI of 1935 are hereby published for the information of persons likely to be affected thereby and notice is hereby given that any objections or suggestions received on or before the 20th January 1938 from any person in respect of the said draft will be considered by Government.

Draft Rules.

1. The names of the members of the District Traffic Advisory Board appointed by Government shall be notified in the Official Gazette.

2. Such members of the said Committees of Districts, as are not *ex-officio* members, shall hold office for a term of two years from the date of the Official Gazette in which their names are notified under the preceding rule.

3. In the event of a vacancy occurring on account of death, resignation or for any other cause, of a member, not being an *ex-officio* member, of the District Traffic Advisory Committee, previous to the expiry of his office, the vacancy shall be filled, as soon as conveniently may be, by appointment of a person thereto, who shall hold office so long only, as the vacating member would have retained the same, if such vacancy had not occurred.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

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BANGALORE, THURSDAY, JANUARY 20, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 2115—*R. T.* 10-37-12, *dated Bangalore, the* 13*th January* 1938.

The following draft of a rule which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that any suggestions or objections in respect of the said draft received on or before the 1st February 1938 will be taken into consideration by Government.

Draft Amendment.

The following rule will be added as Rule 12 (*c*) to the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

"12 (*c*) Whenever new engine blocks which bear no distinguishing numbers are fitted to motor vehicles in replacement of old blocks, the number of the old block should be carved on the new engine followed by the letter 'A' so as to avoid any confusion that might arise in case the old engine block is used on another vehicle."

No. T. 2118—*R. T.* 10-37-13, *dated Bangalore, the* 15*th January* 1938.

The following draft rules which the Government propose to make are hereby published under sub-section (1) of Section 11 of the Mysore Motor Vehicles Act, 1928, and Section 33 of the Mysore Road Traffic and Taxes Act, for the information of persons likely to be affected thereby. Any suggestion or objection in respect of the said draft received on or before the 5th February 1938 will be considered by Government before issuing the rules finally.

The following shall be added as Rule 16 (C) of the Mysore Motor Vehicles Rules 1924, as amended from time to time :—

16 (C)—(1) The Traffic Board, may, either on its own motion or on an application made by the party affected, call for and examine the record of any enquiry made or order passed by the District Magistrate under Rule 16 (B), for the purpose of satisfying itself as to the legality or propriety of any decision or order passed and as to the regularity of the proceedings of the District Magistrate. If, in any case, it shall appear to the Board that any decision or order or proceedings so called for should be modified, annulled or reversed, the Board may pass such order thereon as it may deem fit.

(2) No application made by the party affected shall be entertained by the Board unless it is presented within sixty days from the date of the order complained against.

(3) Subject to the powers of revision vested in the Board, the order of a District Magistrate suspending or cancelling a Driving License, shall be final.

(4) In any application for revision under the foregoing rules, the Board may, pending the disposal of the application, direct the execution of the decision or order complained against to be suspended.

(5) The power of the Board under any of the foregoing rules may be exercised by the Chairman or by any other member or members of the Board as may be authorised by the Chairman in this behalf.

(6) The decision of the Traffic Board shall be final.

No. T. 2186—R. T. 1-37-20, dated, Bangalore, the 18th January 1938.

In virtue of the powers vested in them under Section 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the Ulvi Toll-gate in Shimoga District be abolished as from 1st January 1938.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 4882—I. & C. 293-36-10, dated Bangalore, the 12th January 1938.

In exercise of the powers conferred by Section 14 of the Mysore Maternity Benefit Regulation III of 1937, the Government of His Highness the Maharaja of Mysore are pleased to issue the following amendment to Rules 4 and 5 (i) of the Mysore Maternity Benefit Rules, 1937, the draft amendment in that behalf having been published with Notification No. D. 3740—I. & C. 293-36-9, dated 15th November 1937, published at page 294 of Part IV of the *Mysore Gazette*, dated 18th November 1937.

Substitute the words "The Inspector of Factories" *for* "The Inspector" in Rules 4 and 5 (i).

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. D. 4923—C. S. 11-36-231, dated Bangalore, the 12—15th January 1938.

In exercise of the powers vested under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule for the election of the members to the Committees of Management and of other offices of Co-operative Societies.

Rule 31—The following rules for the election of the members to the Committees of Management or of other offices of Co-operative Societies should be adopted by all Co-operative Societies registered in Mysore under the Mysore Co-operative Societies Act VII of 1918 as amended from time to time.

RULES.

1. Soon after the close of the official year, the accounts of the society should be got audited, and the date of the annual general meeting fixed and intimated to all the members, at least 15 days before the date of the meeting.

2. A list of members who are in default for three months and more, in respect of their dues to the society, should be prepared, and notices given to such defaulters at least 15 days before the date fixed for the general meeting that they will not be entitled either to vote at the general meeting, or to stand as candidates for election to the Committee of Management, or to any office in the society, if they fail to pay up the amounts due to the society seven days before the date of the general meeting.

Exception.—This provision shall not apply to such of the rural societies as may be exempted by the Registrar.

3. Members desirous of standing as candidates to the Committee of Management, or to other offices, should give their applications to the Secretary, or to the office of the society at least five days before the date of the general meeting. A member may nominate as many persons as there are seats on the Committee or other office, from among those who are not defaulters and give such nomination paper to the Secretary or to the office of the society at least five days before the general meeting. In all cases

of nominations, the consent of the concerned candidates should have been obtained in writing. If the consent of nominated candidates has not been taken, their names shall not be included in the voting slips.

4. The names of those who have duly applied or are nominated (if they are not otherwise ineligible) shall be noted in the voting slips, and a copy thereof shall be published on the notice board of the society three days before the date fixed for the general meeting.

5. Three days before the date of the general meeting, a list of members eligible for voting should be prepared and kept in the society for inspection of members.

6. All the members that attend the general meeting should sign in the Register kept for the purpose as they enter the place of the meeting.

7. The General Body should decide the time during which voting may take place. If the power of fixing the time of voting has been delegated to a committee by the General Body, the committee may fix the same.

8. Voters should appear in person and vote.

9. Identification slips may be issued to members entitled to vote. Members who hold identification tickets should produce them before the Polling Officer at the Polling Booth and obtain voting slips from him.

10. The voting slip should bear the seal of the society or some other distinguishing mark.

11. Canvassing or soliciting votes prior to or during the conduct of elections shall be strictly prohibited within the premises (which shall include the compound of the building also) where the polling is arranged to be held.

12. Voting shall be by ballot, and voters should put a mark prescribed for this purpose against the names of candidates whom they wish to elect, fold the voting slip, and deposit it in the ballot box. The polling officers should help the illiterate members in marking names in the voting slips.

13. The General Body should, before the commencement of election, appoint as many Polling Officers as may be necessary for the proper conduct of elections and Tellers to count the votes.

14. After all the voters present have voted or after the time fixed for voting by the General Body or by the Committee is over, the Polling Officer shall stop voting and deliver the Ballot Box to the Tellers.

15. Tellers shall take into consideration only such voting slips as shall have been regularly filled up.

16. Soon after the counting of votes is over, the result shall be announced either at the general meeting, if possible, or published on the Notice Board of the society under the signature of the Chairman of the meeting.

17. The Chairman of the General Meeting shall arrange to keep in safe custody in the society in a sealed box the voting slips and their counter-foils, the register containing the signature of members that attended the meeting and the report of the Tellers. These may be burnt two months after the date of the general meeting.

18. If any member wishes to file any dispute regarding the elections, he should do so, within thirty days from the date of announcement of the result of the election by presenting a petition before the Registrar.

No. L. 5995—L. B. 22-37-22, dated Bangalore, the 12—13th January 1938.

In exercise of the powers vested in them under Section 100 (2) (*c*) of the Mysore District Boards Act 1926, as amended from time to time, Government are pleased to direct that the following words be added at the end of Rule 6 (1) (*c*) of the Rules issued with Notification No. L. 5470—L. B. 25-26-55, dated 5th February 1927, as amended from time to time, for the conduct of business at meetings of the District Boards, etc :—

" or criticisms on the actions or policy of Government or of any public authority not subject to the control of the District Board or on the decisions of any court of law."

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

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PART IV.

Legislative Measures and Rules thereunder.

Order No. P. 4628—Legis. 19-37-1, dated Bangalore, 9th February 1938.

Ordered that the accompanying Acts to amend the Mysore City Municipalities Act, 1933 and the Mysore Town Municipalities Act, 1933, which received the assent of His Highness the Maharaja on the third day of February 1938, be published as Acts. No. I and No. II of 1938, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT I OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938).

An Act to amend the Mysore City Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Act, 1933; It is hereby enacted as follows:—

The following shall be inserted as sections 232-A and 232-B, namely:—

"232-A. (1) Notwithstanding anything contained in this Act, the Government shall have power to transfer any officer or servant of a Municipality to the service of any other Municipality or of any District Board constituted under the Mysore District Boards Act, 1926, or of any Government Department.

(2) The Government shall have power to issue such general or special directions as it may think necessary for the purpose of giving due effect to transfers made under sub-section (1).

232-B. The Government may delegate all or any of its powers under this Act to any officer subordinate to it."

MIRZA M. ISMAIL,
Dewan.

ACT II OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938.)

An Act to amend the Mysore Town Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Act, 1933; It is hereby enacted as follows:—

After section 208 of the Act, the following shall be inserted, namely:—

"208-A (1) Notwithstanding anything contained in this Act, the Government shall have power to transfer any officer or servant of a Municipality to the service of any other Municipality or of any District Board constituted

under the Mysore District Boards Act, 1926, or of any Government Department.

(2) The Government shall have power to issue such general or special directions as it thinks necessary for the purpose of giving due effect to transfers made under sub-section (1)."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4653—Legis. 21-37-1, dated Bangalore, 10th February 1938.

Ordered that the accompanying Acts to amend the Mysore City Municipalities Act, 1933, and the Town Municipalities Act, 1933, which received the assent of His Highness the Maharaja on the third day of February 1938, be published as Acts No. III and No. IV of 1938, in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT III OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938.)

An Act to Amend the Mysore City Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore City Municipalities Act, 1933; It is hereby enacted as follows :—

1. After section 234 of the Act, the following section shall be inserted, namely :—

"234-A. Notwithstanding anything contained in this Act—

(*a*) the Government may, by notification, take power to appoint the Chief Officer, the Health Officer or the Engineer in the case of any Municipal Council ;

(*b*) the Government may, at any time, withdraw any such Chief Officer, Health Officer or Engineer and appoint another in his place ; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay

and allowances and discipline and conduct of Chief Officers, Health Officers and Engineers appointed under clause (*a*).

"234-B. So long as a notification under clause (*a*) of section 234-A is in force, the Municipal Council in respect of which such notification is made, shall cease to exercise the powers of appointment under sections 233 and 234 of this Act."

MIRZA M. ISMAIL,
Dewan.

ACT IV OF 1938.

(Received the assent of His Highness the Maharaja on the third day of February 1938.)

An Act to Amend the Mysore Town Municipalities Act, 1933.

Whereas it is expedient to amend the Mysore Town Municipalities Act, 1933; It is hereby enacted as follows:—

1. After section 209 of the Act, the following shall be inserted, namely:—

"209-A. Notwithstanding anything contained in this Act—

(*a*) the Government may, by notification, take power to appoint the Chief Officer in the case of any Municipal Council;

(*b*) the Government may, at any time, withdraw any such Chief Officer and appoint another in his place; and

(*c*) the Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of Chief Officers appointed under clause (*a*).

"209-B. So long as a notification under clause (*a*) of section 209-A is in force, the Municipal Council in respect of which such notification is made, shall cease to exercise the power of appointment under section 209 of this Act."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4631—*Legis.* 20-37-1, *dated Bangalore, the 9th February* 1938.

Ordered that the accompanying Act to amend the Hindu Law which received the assent of His Highness the Maharaja, on the third day of February 1938, be published as Act No. V of 1938 in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT V OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February* 1938.)

An Act to Amend the Hindu Law.

Whereas it is expedient to amend the Hindu Law relating to exclusion of certain classes of heirs from inheritance; It is hereby enacted as follows:—

1. (1) This Act may be called the Hindu Inheritance (Removal of Disabilities) Act, 1938. Short Title

(2) It extends to the whole of Mysore. Extent.

2. Notwithstanding any rule of Hindu Law or custom to the contrary, no person governed by the Hindu Law, other than a person who is and has been from birth a lunatic or idiot, shall be excluded from inheritance or from any right or share in joint family property by reason only of disease, deformity or physical or mental defect. Persons not to be excluded from inheritance or rights in joint family property.

3. Nothing herein contained shall affect any right which has accrued or any liability which has been incurred before the commencement of this Act, or shall be deemed to confer upon any person any right in respect of any religious office or service or of the management of any religious or charitable trust which he would not have had if this Act had not been passed. Saving and exception.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4652—Legis. 23-37-1, dated Bangalore, 10th February 1938.

Order that the accompanying Extradition Act, which received the assent of His Highness the Maharaja, on the third day of February 1938, be published as Act No. VI of 1938 in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT VI OF 1938.

(Received the assent of His Highness the Maharaja on the third day of February 1938.)

The Mysore Extradition Act.

Whereas it is expedient to amend and consolidate the law relating to the extradition and rendition of criminals; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

Short title, extent and commencement.

1. (i) This Act may be called the Mysore Extradition Act, 1938.

(ii) It extends to the whole of Mysore; and

(iii) It shall come into force from such date as the Government may, by notification in the Official Gazette, direct.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context—

(*a*) "extradition offence" means any such offence as is described in the schedule;

(*b*) "offence" includes any act wheresoever committed which would, if committed in Mysore, constitute an offence;

(*c*) "rules" include prescribed forms;

(*d*) "fugitive criminal" means any person accused or convicted of an extradition offence committed outside Mysore who is in or is suspected of being in some part of Mysore; and

(*e*) "prescribed" means prescribed by rules made under this Act.

CHAPTER II.

SURRENDER OF FUGITIVE CRIMINALS IN CASE OF INDIAN STATES.

Application of Act.

3. Where an arrangement has been made with any State in India with respect to the surrender to such State of any fugitive criminals, the Government may, by notification in the Official Gazette, direct that this Act shall apply in the case of such State.

Every such notification shall recite or embody the terms of the arrangement, and shall not remain in force for any longer period than the arrangement.

Apprehension of fugitives.

4. Where this Act applies in the case of any State, every fugitive criminal of that State who is in or is suspected of being in any part of Mysore, shall be liable to be apprehended and surrendered in manner provided by this Act, whether the offence in respect of which the surrender is sought was committed before or after the date of the notification, and whether there is or is not any concurrent jurisdiction in any Court in Mysore over that offence.

Requisition for surrender.

5. (1) Where a requisition is made to the Government by or on behalf of the Government of any State in India in the case of which this Act applies for the surrender of a fugitive criminal of such State, who is or is suspected of being in Mysore, the Government may, if it thinks fit, issue an order to any Magistrate who would have had jurisdiction to inquire into the offence if it had been an offence committed within the local limits of his jurisdiction directing him to inquire into the case.

Summons or warrant for arrest.

(2) The Magistrate so directed shall issue a summons or warrant for the arrest of the fugitive criminal according as the case appears to be one in which a summons or warrant would ordinarily issue.

Inquiry by Magistrate.

(3) When such criminal appears or is brought before the Magistrate, the Magistrate shall inquire into the case in the same manner and have the same jurisdiction and powers, as nearly as may be, as if the case were one triable by the Court of Session, and shall take such evidence as may be produced in support of the requisition and on behalf of the fugitive criminal, including any evidence to show that the offence of which such criminal is accused or alleged to have been convicted is an offence of a political character or is not an extradition offence.

Committal

(4) If the Magistrate is of opinion that a *prima facie* case is made out in support of the requisition, he may commit the fugitive criminal to prison to await the orders of the Government.

Bail.

(5) If the Magistrate is of opinion that a *prima facie* case is not made out in support of the requisition, or if the case is one which is bailable under the provisions of the Code of Criminal Procedure for the time being in force, the Magistrate may release the fugitive criminal on bail.

Magistrate's report.

(6) The Magistrate shall report the result of his inquiry to the Government, and shall forward, together with such report, any written statement which the fugitive criminal may desire to submit for the consideration of the Government.

Reference to High Court if Government thinks necessary.

(7) If the Government is of opinion that such report or written statement raises an important question of law, it may make an order referring such question of law to the High Court and the fugitive criminal shall not be surrendered until such question has been decided.

Warrant for surrender.

(8) If, upon receipt of such report and statement or upon the decision of any such question, the Government is of opinion that the fugitive criminal ought to be surrendered, it may issue a warrant for the custody and removal of such criminal and for his delivery at a place and to a person to be named in the warrant.

Lawfulness of custody and re-taking under warrant for surrender.

(9) It shall be lawful for any person to whom a warrant is directed in pursuance of sub-section (8) to receive, hold in custody and convey the persons mentioned in the warrant, to the place named in the warrant, and if such person escapes out of any custody to which he may be delivered in pursuance of such warrant, he may be re-taken as a person accused of an offence against the law of Mysore may be re-taken upon an escape.

Discharge of fugitive criminal committed to prison after two months.

(10) If such a warrant as is prescribed by sub-section (8) is not issued and executed in the case of any fugitive criminal who has been committed to prison under sub-section (4), within two months after such committal, the High Court may, upon application made to it on behalf of such fugitive criminal and upon proof that reasonable notice of the intention to make such application has been given to the Government, order such criminal to be discharged, unless sufficient cause is shown to the contrary.

6. (1) Where it appears to any Magistrate of the First Class or any Magistrate specially empowered by the Government in this behalf that a person within the local limits of his jurisdiction is a fugitive criminal of a State in India in the case of which this Act applies, he may, if he thinks fit, issue a warrant for the arrest of such person on such information or complaint and on such evidence as would, in his opinion, justify the issue of a warrant if the offence of which he is accused or has been convicted had been committed within the local limits of his jurisdiction.

Power to Magistrate to issue warrant of arrest in certain cases.

(2) The Magistrate shall forthwith report the issue of a warrant under this section to the Government.

Issue of warrant to be reported forthwith.

(3) A person arrested on a warrant issued under this section shall not be detained more than two months unless within that period the Magistrate receives an order made with reference to such person under sub-section (1) of section 5.

Person arrested not to be detained unless order received.

(4) In the case of a person arrested or detained under this section, the provisions of the Code of Criminal Procedure for the time being in force relating to bail shall apply in the same manner as if such person were accused of committing in Mysore the offence of which he is accused or has been convicted.

Bail.

7. The Government may at any time stay any proceedings taken under this Chapter and direct any warrant issued under this Chapter to be cancelled and the person for whose arrest such warrant has been issued to be discharged.

Power of Government to discharge any person in custody at any time.

CHAPTER III.

SURRENDER OF FUGITIVE CRIMINALS IN CASE OF BRITISH INDIA.

8. (1) Where an extradition offence has been committed or is supposed to have been committed by a person in British India and such person escapes into or is in Mysore, the Government may, on receipt of a requisition made by or on behalf of any Provincial Government in British India for the surrender of the said person, direct the issue of a warrant addressed to the District Magistrate of any district in which such person is believed to be, for his arrest and delivery at a place and to a person

Issue of warrant by Government in certain cases.

or authority indicated in the warrant, and such Magistrate shall act in pursuance of such warrant and may give directions accordingly.

Execution of such warrant.

(2) A warrant issued as mentioned in sub-section (1) shall be executed in the manner provided by the law for the time being in force with reference to the execution of warrants, and the accused person, when arrested, shall be produced before the District Magistrate who shall record any statement made by him; such accused person shall then, unless released in accordance with the provisions of the Act, be forwarded to the place and delivered to the person or authority indicated in the warrant.

Proclamation and attachment in case of persons absconding.

(3) The provisions of the Code of Criminal Procedure for the time being in force in relation to proclamation and attachment in the case of persons absconding shall, with any necessary modifications, apply where any warrant has been received by a District Magistrate under this section as if the warrant had been issued by himself.

Release on giving security.

9. (1) Where an endorsement has been made on any such warrant that the person for whose arrest it is issued may be released on executing a bond with sufficient sureties for his attendance before a person or authority indicated in this behalf in the warrant at a specified time and place, the Magistrate to whom the warrant is addressed shall on such security being given, release such person from custody.

Magistrate to retain bond.

(2) When security is taken under this section, the Magistrate shall certify the fact to the Government and shall retain the bond.

Re-arrest in case of default.

(3) If the person bound by any such bond does not appear at the time and place specified, the Magistrate may, on being statisfied as to his default, issue a warrant directing that he be re-arrested and handed over to any person authorised by the Government to take him into custody.

Deposit in lieu of bond and forfeiture of bonds.

(4) In the case of any bond executed under this section, the Magistrate may exercise the powers conferred by the Code of Criminal Procedure for the time being in force in relation to taking a deposit in lieu of the execution of a bond and with respect to the forfeiture of bonds and the discharge of sureties.

10. Where a requisition is made to the Government by or on behalf of any Provincial Government in British India for the surrender of any person accused of having committed in British India an offence other than an extradition offence, such requisition shall (except in so far as it relates to the taking of evidence to show that the offence is of a political character or is not an extradition offence) be dealt with so far as may be in accordance with the procedure prescribed by section 5.

Requisition for surrender.

11. (1) If it appears to any Magistrate of the First Class or any Magistrate empowered by the Government in this behalf that a person within the local limits of his jurisdiction is accused or suspected of having committed an offence in British India and that such person may lawfully be surrendered or that warrant may be issued for his arrest under section 8, the Magistrate may, if he thinks fit, issue a warrant for the arrest of such person on such information or complaint and on such evidence as would, in his opinion, justify the issue of a warrant if the offence had been committed within the local limits of his jurisdiction.

Power to Magistrates to issue warrants of arrest in certain cases.

(2) The Magistrate shall forthwith report to the Government through the District Magistrate the issue of a warrant under this section.

Issue of warrant to be reported forthwith.

(3) A person arrested on a warrant issued under this section shall not, without the special sanction of the Government, be detained more than two months, unless within such period, the Magistrate receives an order made with reference to such person in accordance with the procedure prescribed by section 10, or a warrant for the arrest of such person is issued under section 8.

Limit of time of detention of person arrested.

(4) In the case of a person arrested or detained under this section, the provisions of the Code of Criminal Procedure for the time being in force relating to bail shall apply in the same manner as if such person were accused of committing in Mysore the offence with which he is charged.

Bail.

12. (1) A person accused of an offence committed in Mysore, not being the offence for which his surrender is asked or undergoing sentence under any conviction in Mysore shall not be surrendered except on the condition that such person be re-surrendered to the Government on the termination of his trial for the offence for which his surrender has been asked :

Surrender of person accused of, or undergoing sentence for offence in Mysore.

Provided that no such condition shall be deemed to prevent or postpone the execution of a sentence of death lawfully passed.

Suspension of sentence on surrender.

(2) On the surrender of a person undergoing sentence under a conviction in Mysore, his sentence shall be deemed to be suspended until the date of his re-surrender, when it shall revive and have effect for the portion thereof which was unexpired at the time of his surrender.

Application of Chapter to convicted persons.

13. The provisions of this Chapter with reference to accused persons shall, with any necessary modifications, apply to the case of a person who, having been convicted of an offence in British India, has escaped into or is in Mysore before his sentence has expired.

Abetment and attempt.

14. Every person who is accused or convicted of abetting or attempting to commit any offence shall be deemed, for the purposes of this Chapter, to be accused or convicted of having committed such offence, and shall be liable to be arrested and surrendered accordingly.

Lawfulness of custody and re-taking under warrant issued under Chapter.

15. It shall be lawful for any person to whom a warrant is directed in pursuance of the provisions of this Chapter to receive, hold in custody and convey to the place named in the warrant the person mentioned in the warrant; and, if such person escapes out of any custody to which he may be delivered in pursuance of such warrant he may be re-taken as a person accused of an offence against the law of Mysore, may be re-taken upon an escape.

Power of Government to stay proceedings and discharge person in custody.

16. The Government may, by order, stay any proceedings taken under this Chapter, and may direct any warrant issued under this Chapter to be cancelled, and the person for whose arrest such warrant has been issued to be discharged.

Application of Chapter to offences committed before its commencement.

17. The provisions of this Chapter shall apply to an offence or to an extradition offence, as the case may be, committed before the passing of this Act, and to an offence in respect of which a Court of Mysore has concurrent jurisdiction.

CHAPTER IV.

MISCELLANEOUS.

Receipt in evidence of exhibits, depositions and other documents.

18. In any proceedings under this Act, exhibits and depositions (whether received or taken in the presence of the person against whom they are used or not) and

copies thereof, and official certificates of facts and judicial documents stating facts, may, if authenticated in the prescribed manner, be received as evidence.

Evidence by commission.

19. The testimony of any witness may be obtained in relation to any criminal matter pending in any State in India in like manner as it may be obtained in any civil matter under the provisions of the Code of Civil Procedure for the time being in force with respect to commissions, and the provisions of that Code relating thereto shall be construed as if the term "suit" included criminal proceeding.

Power to make rules.

20. (1) The Government may make rules to carry out the purpose of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the removal of prisoners accused or in custody under this Act, and their control and maintenance until such time as they are handed over to the persons named in the warrant as entitled to receive them;

(*b*) the seizure and disposition of any property which is the subject of, or required for proof of, any alleged offence to which this Act applies;

(*c*) the pursuit and arrest in Mysore, by officers of the Government or other persons authorised in this behalf, of persons accused of offences committed elsewhere;

(*d*) the manner of authenticating documents;

(*e*) prescribing the authorities of any Provincial Government in British India or a State in India whose requisition may be acted upon under this Act; and

(*f*) the procedure and practice to be observed in extradition proceedings.

(3) Rules made under this section shall be published in the Official Gazette and shall thereupon have effect as if enacted by this Act.

Detention of persons arrested.

21. Notwithstanding anything in the Code of Criminal Procedure, 1904, any person arrested without an order from a Magistrate and without a warrant, in pursuance of the provisions of section 54, clause *seventhly*, of the said Code, may, under the orders of a Magistrate within the local limits of whose jurisdiction such arrest was made be detained in the same manner and subject to the same restrictions as a person arrested on a warrant issued by such Magistrate under section 11.

Repeal.

22. (1) On and from the date on which this Act comes into force, the Chief Commissioner's Notification No. 111, dated 23rd July 1878, and Government Notification No. J. 219—Legis. 14-04-14, dated the 20th July 1907 shall be deemed to be repealed.

(2) All orders made and acts done under any of the notifications hereby repealed in respect of requisitions received before coming into force of this Act shall have the same force and effect as if they had been made or done under this Act.

Prerogative of His Highness the Maharaja to direct extradition.

23. Nothing contained in this Act shall affect or be deemed to have affected the prerogative of His Highness the Maharaja to direct, independently of this Act, the extradition and surrender of any criminal found in Mysore.

Explanation.—In this section "criminal" includes a person accused or convicted in British India of an act which, whether or not constituting an offence if done in Mysore, constitutes an offence if done in British India.

THE SCHEDULE.

EXTRADITION OFFENCES.

The sections referred to are the sections of the Indian Penal Code.

Frauds upon creditors (Section 206).
Resistance to arrest (Section 224).
Offences relating to coin and stamps (Sections 230 to 263-A).
Culpable homicide (Sections 299 to 304).
Attempt to murder (Section 307).
Thugee (Sections 310 and 311).
Causing miscarriage and abandonment of child (Sections 312 to 317).
Causing hurt (Sections 323 to 333).
Wrongful confinement (Sections 347 and 348).
Kidnapping and slavery (Sections 360 to 373).
Rape and unnatural offences (Sections 375 to 377).
Theft, extortion, robbery, etc. (Sections 378 to 414).
Cheating (Sections 415 to 420).
Fraudulent deeds, etc. (Sections 421 to 424).
Mischief (Sections 425 to 440).
Lurking house-tresspass (Sections 443 and 444).
Forgery, using forged documents, etc. (Sections 463 to 477-A).
Desertion from the Army.
Piracy by law of nations.
Sinking or destroying a vessel at sea, or attempting or conspiring to do so.
Assault on board a ship on the high seas with intent to destroy life or to do grievous bodily harm.

Revolt or conspiracy to revolt by two or more persons on board a ship on the high seas against the authority of the master.

Any offences against the laws relating to criminal tribes or against any section of the Indian Penal Code or against any other law which may, from time to time, be specified by the Government by notification in the Official Gazette either generally for British India and all States or specially for British India or for any one or more States.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4718—Legis. 25-37-1, dated Bangalore, the 10—14th February 1938.

Ordered that the accompanying Act to amend the Mysore Irrigation Act, 1932, which received the assent of His Highness the Maharaja, on the third day of February 1938, be published as Act No. VII of 1938, in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT VII OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February 1938*).

An Act to amend the Mysore Irrigation Act, No. I of 1932.

Whereas it is expedient to further amend the Mysore Irrigation Act, No. I of 1932; It is hereby enacted as follows:—

1. After section 34 of the Mysore Irrigation Act, 1932 (hereinafter referred to as the said Act), the following section shall be added:—

"34-A. For the purposes of this chapter, an irrigation work includes such work in an inam village, though it is not constructed, maintained or controlled wholly or mainly by Government."

2. The following shall be added after the word "village" occurring in line 1 of section 36 of the said Act:—

"and the Inamdar in the case of an inam village."

3. The following shall be added after the word "patel" occurring in line 3 of section 37 of the said Act:—

"the Inamdar in the case of an inam village."

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4717—Legis. 24-37-1, dated Bangalore, the 10—14th February 1938.

Ordered that the accompanying Act further to amend the Minor Tank Restoration Act, 1916, which received the assent of His Highness the Maharaja, on the third day of February 1938, be published as Act No. VIII of 1938 in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT VIII OF 1938.

(*Received the assent of His Highness the Maharaja on the third day of February 1938*).

An Act further to amend the Minor Tank Restoration Act, 1916.

Whereas it is expedient to further amend the Minor Tank Restoration Act, 1916; It is hereby enacted as follows:—

1. In section 2 of the Minor Tank Restoration Act, 1916 (hereinafter referred to as the said Act), the words "whether situated in a Government or an alienated village," shall be added after the figure "1911".

2. After section 2 of the said Act, the following new section shall be added:—

"2A. 'Restoration' means restoring to an efficient condition a tank which, from neglect, accident or other cause, has fallen into disuse or become impaired or less efficient than formerly."

3. (1) After sub-section (2) of section 4 of the said Act, the following new sub-section shall be inserted:—

"(2-A) In the case of minor tanks situate in alienated villages, the cost of restoration shall, after deducting the raiyats' contribution under sub-section (2), be borne by the Government and the superior holder in the proportion of the land revenue payable by the said superior holder to the Government and the total assessment of the village less the land revenue payable by the said superior holder to the Government."

(2) In sub-sections (3) and (4) of section 4 of the said Act, the words and figure " or sub-section (2-A) " shall be inserted after the words and figure " sub-section (2) ".

MIRZA M. ISMAIL,
Dewan.

Order No. P. 4651 *Legis.* 22-37-1, *dated Bangalore,* 10*th February* 1938.

Ordered that the accompanying Code of Civil Procedure (Amendment) Act of 1938 which received the assent of His Highness the Maharaja, on the fourth day of February 1938, be published as Act No. IX of 1938 in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT IX OF 1938.

(Received the assent of His Highness the Maharaja on the fourth day of February 1938.)

An Act further to Amend the Code of Civil Procedure, 1911.

Whereas it is expedient further to amend the Code of Civil Procedure, 1911, for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. (*a*) This Act may be called the Code of Civil Procedure (Amendment) Act of 1938. **Short Title**

(*b*) It shall extend throughout the State of Mysore.

(*c*) It shall come into force from first July 1938.

2. To section 51 of the Code of Civil Procedure, 1911 (hereinafter referred to as the said Code), the following proviso shall be added, namely:— **Addition of Proviso to section 51.**

" Provided that where the decree is for the payment of money, execution by detention in prison shall not be ordered unless, after giving the judgment-debtor an opportunity for showing cause why he should not be committed to prison, the Court for reasons recorded in writing, is satisfied—

(*a*) that the judgment-debtor, with the object or effect of obstructing or delaying the execution of the decree,—

(i) is likely to abscond or leave the local limits of the jurisdiction of the Court, or

(ii) has, after the institution of the suit in which the decree was passed, dishonestly transferred, concealed or removed any part of his property, or committed any other act of bad faith in relation to his property; or

(*b*) that the judgment-debtor has, or has had since the date of the decree, the means to pay the amount of the decree or some substantial part thereof and refuses or neglects or has refused or neglected to pay the same; or

(*c*) that the decree is for a sum for which the judgment-debtor was bound in a fiduciary capacity to account.

Explanation.—In the calculation of the means of the judgment-debtor for the purposes of clause (*b*), there shall be left out of account any property which, by or under any law or custom having the force of law for the time being in force, is exempt from attachment in execution of the decree.

MIRZA M. ISMAIL,
Dewan.

NOTIFICATIONS.

No. T. 2477—R. T. 1-37-22, dated Bangalore, the 11th February 1938.

In virtue of the powers vested in them under Section 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to direct that the Panditbanahalli Toll-gate which is at present situated about two furlongs from the junction of the main Maddur-Sivasamudram road be shifted beyond the junction.

No. T. 2482—R. T. 10-37-19, dated Bangalore, the 11th February 1938.

In exercise of the powers conferred on them under Section 11 of the Mysore Motor Vehicles Regulation, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft amendment in the said behalf having been published with notification No. T. 2115—R. T. 10-37-12, dated 13th January 1938 in the *Mysore Gazette* at page 11, Part IV, dated 20th January 1938.

The following shall be added as Rule 12 (c) to the said rules.

"12 C. Whenever new engine blocks which bear no distinguishing numbers are fitted to motor vehicles in replacement of old blocks, the number of the old block should be carved on the engine followed by the letter 'A' so as to avoid any confusion that might arise in case the old engine block is used on another vehicle."

No. T. 2502—R. T. 10-37-20, dated Bangalore, the 15th February 1938.

The following draft rule which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act, 1928, to Rule 1-B of the Mysore Motor Vehicles Rules, 1924,

issued with Notification No. P. 3015—Legis. 21-22-10, dated 12th December 1924, as amended from time to time, is hereby published for the information of persons likely to be affected thereby, and any suggestions or objections, in respect of the said draft, received on or before the 20th February 1938 will be considered by Government.

DRAFT RULE.

Substitute the following for Rule 1-B of the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

"1-B. The owner or person in charge of a motor vehicle shall at all reasonable times produce its registration certificate for inspection upon request by (i) a Police Officer in uniform who is not below the rank of a Sub-Inspector of Police or who being below such rank is specially authorised in this behalf by the Inspector-General of Police or (ii) a Licensing Officer appointed under the Mysore Road Traffic and Taxes Act VI of 1935."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 4779—Cts. 100-37-4, dated Bangalore, 14—16th February 1938.

Government are pleased to direct that Sections 380 and 381 of the Indian Penal Code be included in the Schedule of Offences specified in para 2 of Government Notification No. P. 3120—Cts. 100-37-2, dated 16th December 1937, directing the extension of the system of trial by Jury to the Districts of Chitaldrug and Hassan.

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 2523—R. T. 17-37-6, dated Bangalore, 16th February 1938.

In virtue of the powers vested in them under Section 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that Rajavanti toll-gate in Tumkur District be abolished as from 1st July 1938.

No. T. 2546—R. T. 1-37-26, dated Bangalore, 17th February 1938.

In virtue of powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct (1) that a check gate be opened as a temporary measure at Kadariganakuppe about one mile to the east of the main toll-gate at Hulkur, Kolar District and (2) that this check gate and the Hulkur toll-gate be treated as one toll-gate, the payment of toll at one gate exempting vehicles, etc., from payment of the same at the other.

No. T. 2615—R. T. 1-37-24, dated Bangalore, the 21st February 1938.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that a toll-gate be established with effect from 1st March 1938 on the motor road on the Nandi Hills, Kolar District, and located tentatively in the building known as Lewis Bungalow.

No. T. 2621—R. T. 10-37-22, dated Bangalore, the 22nd February 1938.

SUBJECT—Duplicate License.

In virtue of the powers vested in them under Sections 8 and 9 of the Mysore Road Traffic and Taxes Act No. VI of 1935 as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rule 19 of the Mysore Motor Vehicles Tax Rules, Part I.

Amendments.

Substitute "period in respect of which the original license was issued" for the words "quarter or half year as the case may be" in the last sentence.

Add the following at the end of the Rule:—

"The fee for a duplicate short-term license shall be Rs. 2 only."

The Rule will, after the above amendments, read as follows:—

"19. If a license issued is lost or otherwise misplaced, any licensing officer, may, on application, issue a fresh license. If the vehicle in respect of which the license is applied for is exempt from taxes, this license will be issued free; if it is a vehicle which is liable to tax, the license may be issued on payment of a fee of Rs. 5. The substitute license shall only be issued for the current period in respect of which the original license was issued and the licensing officer must, before issuing the license, satisfy himself from the Registration Certificate that the tax due has already been paid. The fee for a duplicate short-term license shall be Rs. 2 only."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

No. Fl. 4745—*Ex.* 47-37, *dated Bangalore, the* 18*th February* 1938.

In exercise of the powers conferred by Section 29 (1) of the Mysore Excise Act, V of 1901, as amended from time to time, and of all other powers enabling them in this behalf, the Government of His Highness the Maharaja of Mysore are pleased to substitute the following for Rule XIA of the Foreign Liquor Rules published in Notification No. 11469—Ex. 7-3-1901, dated 10th January 1902, as amended by Notification No. Fl. 475—S. R. 17-13-3, dated 22nd July 1913:—

XIA. "Licenses granted under paras 1 to 6 and 11 of Rule II shall include permission to sell Bangalore Bottled Beer imported under the rules in force in the Mysore State for the import and transport of Country Beer."

No. D 6115 *C. S.* 79-36-9, *dated Bangalore, the* 22*nd February* 1938.

In exercise of the powers vested in them under Section 44 (2) (r) of the Mysore Co-operative Societies Act, 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following amendment to the third para of Rule 18 regarding the payment of bonus to office bearers of Co-operative Societies.

Any suggestions or objections to the proposed rule by persons or bodies likely to be affected by this rule may be forwarded to the Secretary to Government, Local Self-Government Department, within two months from the date of publication of this notification in the *Mysore Gazette*, after which date the draft will be taken up for consideration.

Any suggestions received after the due date will not receive consideration.

"Substitute the following for the third para of Rule 18":—

"The Bonus or honorarium payable to the office bearers of Co-operative Societies who hold office honorarily shall not exceed in the aggregate 15 per cent of the net

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 2695—R. T. 10-37-23, dated Bangalore, the 25th February 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Rules regarding Public Service Motor Vehicles as amended from time to time, the draft in the said behalf having been already published with Notification No. T. 1842—R. T. 10-37-8, dated 9—11th November 1937 :—

Amendment.

The following shall be added as proviso to Rule 15 (*c*) of the rules regarding Public Service Vehicles issued with Notification No. P. 3992—Legis. 46-35-17, dated 18th December 1935, as amended from time to time and published at page 85 of the Mysore Motor Manual.

Proviso:—"Children under the age of three years shall not be counted as passengers and shall be carried free: and children between the ages of three and twelve shall be considered as half passengers and charged half fare only."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

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No. L. 7213—L. B. 32-37-10, dated Bangalore, the 26th February 1938.

In exercise of the powers vested in them by sections 18 and 100 (2) (b) of the Mysore District Boards Act, 1926, as amended from time to time, Government are pleased to direct that the following words be added to Rule 6-A of the Rules issued with Notification No. E. 4586—L. B. 25-26-36, dated 17th January 1927, as amended from time to time, for regulating the election of Presidents and the Vice-Presidents of District Boards :—

Add the words "in the treasury" between the words "three months" and "unless" occurring in line 3 of the aforesaid Rule. The amended Rule 6-A will read as follows.

"6-A—The voting papers used in the ballot shall be in the form prescribed hereunder and shall be preserved for a period of three months in the Treasury unless the Deputy Commissioner desires them to be preserved for a longer period."

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. T. 2767—R. T. 9-37-19, dated Bangalore, the 3rd March 1938.

In exercise of the powers conferred on them by Sections 13 and 22 of the Mysore Road Traffic and Taxes Act, VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to further exempt Mr. A. S. James, Director of Posts and Telegraphs, Madras, from payment of all taxes and tolls under the said Act and also all tolls due under the Municipal Acts in respect of his motor car bearing Register No. P. 3835 C. till 1st August 1938 in continuation of the exemption already granted with Notification No. T. 592—R. T. 9-37-5, dated 11th August 1937.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 2988—*R. T.* 45-37-2, *Bangalore, dated the 18th March* 1938.

In exercise of the powers conferred upon them under Section 13 of the Mysore Road Traffic and Taxes Act, No. VI of 1935, the Government of His Highness the Maharaja are pleased to exempt the S. L. N. City Motor Service plying for hire between Bangalore City New Market and the New Mental Hospital, from payment of the Mileage cess leviable under Schedule II D of the said Act.

No. T. 3001—*R. T.* 10-37-29, *Bangalore, dated the 16—18th March* 1938.

The following draft amendment to Rule 46 of Rules regarding Public Service Motor Vehicles which the Government propose to issue in virtue of the powers vested in them under Sections 11 of the Motor Vehicles Act, 1928 and 33 of the Mysore Road Traffic and Taxes Act, VI of

1935, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that any objections or suggestions received on or before the 10th April 1938, from any person in respect of the said draft will be considered by Government.

DRAFT RULE.

"46. Hours on duty of drivers and conductors :—

(*a*) No person shall drive or cause or permit any person employed by him or subject to his orders to drive a motor bus (*i*) for any continuous period of more than six hours or (*ii*) for continuous periods amounting in the aggregate to more than 11 hours in any period of 24 hours calculated from midnight, or (*iii*) so that the driver has not at least ten consecutive hours for rest in any period of 24 hours calculated from the commencement of any period of driving.

(*b*) All the provisions contained in the above sub-section apply *mutatis mutandis* in respect of conductors in motor buses.

(*c*) Every employer shall give to each driver and conductor a written order of employment in which the hours of duty shall be clearly specified.

(*d*) No driver or conductor shall be on duty outside the hours specified in the written order of his employer.

(*e*) No employer shall issue a written order to a driver or conductor in his employ fixing the hours of duty which is not in accordance with the timing prescribed in sub-section (*a*).

(*f*) In addition to the driver or conductor responsible and punishable for a breach of this rule, the registered owner or the employer shall also be responsible and punishable for such breach.

(*g*) For enforcing the provision contained in (*a*) read above, the proprietor shall maintain a book for each conductor or driver in the prescribed form.

(*h*) The foil of the form shall be with the driver or conductor during his hours of work and got initialled by the Checking Officer at places of checking and returned to the proprietor after his duty, who will paste it with the counterfoil making necessary entries in the latter.

(*i*) These books shall be got printed and supplied by the proprietors of buses and shall be open for inspection by the Police."

No. T. 3046—*R. T.* 10-37-30, *dated Bangalore, the* 18*th*—22*nd March* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928 and Sections 5, 23 and 33 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following rules regarding the private and public service motor lorries, the draft rules in the said behalf having already been published with Notification No. T. 2284—R. T. 10-37-14, dated the 27th January 1938, at page 17 of Part IV of the *Mysore Gazette*, dated the 3rd February 1938.

Rules.

For sub-rules 9 (ii) and 9 (iii) of the rules regarding permits for motor lorries (*vide* page 126 of the Mysore Motor Manual) issued with Notification No. P. 3993—Legis, 46-35, dated 18th December 1935 and amended from time to time, the following rules shall be substituted :—

"9 (ii) Such permits may be granted by the District Magistrate himself in regard to motor lorries whether plying in his district alone or in his district and other districts also without referring the matter to the Traffic Board except in cases of doubt or difficulty :

Provided that in issuing permits for motor lorries plying in more than one district, special attention should be paid to Rule 10 below prior to the grant of the permit."

"9 (iii) In cases where the area for which a permit is granted extends beyond the limits of two districts, the procedure prescribed in proviso 1 (b) of Schedule 11-B of the Mysore Road Traffic and Taxes Act should be observed and the lorry shall be subject to tolls in the area beyond the two districts."

For sub-rules 58 (1) and 58 (2) of the rules regarding public service motor vehicles (*vide* page 102 of the Mysore Motor Manual) issued with Notification No. P. 3992—

Legis. 46-35, dated 18th December 1935 and amended from time to time, the following rules shall be substituted :—

"58 (i) Permits for public service motor lorries shall be granted by the District Magistrates in respect of lorries to be let or plied for hire or reward within the limits of his district, and also one other road in the adjoining district. In the area thus permitted, the lorry will be free of tolls."

"(2) The same procedure as that prescribed for the issue and grant of permits for motor bus services in Rule 29 above shall, in so far as it is applicable to motor lorries, be followed in this case also."

"The word 'Casual' occurring in the second line of sub-rule 60-A and in the first line of sub-rule 60 (ii) of the Public Service Motor Vehicles Rules shall be omitted."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 6741—C. S. 11-36-250, dated Bangalore, 18th—21st March 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rules regarding the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd.

Any suggestions or objections to the proposed rule may be forwarded to the Secretary to Government, Local Self-Government Department within two months from the date of publication of this notification in the *Mysore Gazette*, after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government.

"*Rule 32.*—(1) The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

(2) The President of the Board shall be elected by the General Body subject to the approval of Government.

(3) Two other Directors shall be nominated by Government.

(4) Of the remaining Directors, five shall be representatives of affiliated rural societies, five of affiliated urban societies and two of preferential share-holders.

(5) The representatives of rural and urban co-operative societies and the preferential share-holders shall be elected at a meeting of the General Body by their own respective groups of electors.

(6) The members of the Board nominated by Government under paragraph 3 above need not necessarily be share-holders of the Bank.

(7) Of the elected members, five shall retire by rotation at each annual general election, two each from among the rural and urban representatives and one out of the two representatives of individual share-holders, and they shall not be eligible for re-election till the next following general meeting of the Bank.

(8) Any vacancy occurring in the Board in respect of the elected Directors between two general meetings shall be filled up by the remaining members of the Board in such a way that the number of representatives of the preferential share-holders and of the urban and rural societies is in conformity with clause 4.

(9) When individual members are completely eliminated from the Bank, the two seats allotted to the preference share-holders shall be distributed suitably between the rural and urban societies.

(10) The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

(11) The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3062—*R. T.* 10-37-31, *Bangalore, dated the 23rd March* 1938.

Subject.—WEIGHMENT OF VEHICLES.

In exercise of the powers conferred upon them by Sections 8 and 9 of the Mysore Road Traffic and Taxes Act VI of 1935, as amended by Act IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rule 9 of the Mysore Motor Vehicles Tax Rules, Part I (page 135 of the Mysore Motor Manual).

Amendments.

Number the existing note under clause (vi) as 1.

Add the following as note 2:—

"*Note* 2.—A certificate of weighment will also be issued by the Inspector-General of Police in Mysore in respect of the unladen weight of a Motor Vehicle after weighment at the weigh-bridge installed at his office and such certificate shall also be considered as satisfactory proof of the unladen weight of the vehicle.

A fee of Rs. 10 will be charged for each weighment."

No. T. 3065—*R. T.* 10-37-32, *Bangalore, dated the* 23*rd March* 1938.

Subject.—RATE OF TOLL ON MOTOR LORRIES AND BULLOCK CARTS LOADED WITH TIMBER.

In exercise of the powers conferred upon them by Section 22 of the Mysore Road Traffic and Taxes Act No. VI of 1935, as amended by Act IX of 1936, the Government of His Highness the Maharaja are pleased to direct that the toll fee payable in the case of Motor Lorries and Bullock Carts laden with timber and entering the State at a frontier toll-gate shall be reduced to Rs. 4 and Rs. 2 respectively (from Rs. 6 and Rs. 3 in force at present).

This will take effect on and from the 1st July 1938.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 6799—*I. & C.* 228-37-2, *Bangalore, dated the* 21*st*—23*rd March* 1938.

In exercise of the power vested in them under Section 24 of the Mysore Steam Boilers and Prime Movers Act III of 1920, the Government of His Highness the Maharaja of Mysore propose to make the following rule, a draft of which is hereby published for general information. Suggestions or objections, if any, should be made to the undersigned within a period of two months from the date of publication of this Notification after which no objections or suggestions will be received or considered and the draft rule will be taken up for final consideration of Government.

"Rule 27A. On sufficient cause being shown, it shall be open to the officer issuing the license, to grant a duplicate of the same, on payment of a fee of Rs. 2."

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. G. 7864—P. H. 44-37-13, dated Bangalore, the 28th March 1938.

Under Section I (2) of the Mysore Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government are pleased to extend the provisions of the said Act to the Bhadravati New Town Board Area, in respect of milk (cow's and buffalo's), ghee and butter.

No. G. 7869—P. H. 44-37-14, dated Bangalore, the 28th March 1938.

Under Section 20 of the Mysore Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government propose to make the rules issued in Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 annexed hereto applicable to the Bhadravati New Town Board Area. Any objection to the proposal, if made in writing on or before 15th April 1938 will be duly considered.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act, IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved

that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine, by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of

visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which

shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″ × 4″ where only Kannada is used or at least 4″ × 4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3182—*R. T.* 9-37-21, *dated Bangalore, 4th April* 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the Scooter car bearing No. Mys. 9042, belonging to Mr. H. G. Anantharamu, Devi Nivas, Old Agrahar, Mysore, be exempted from payment of vehicle tax.

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 6968—Geol. 55-37-5, dated Bangalore, 29—30th March 1938.

In exercise of the powers vested in them under Section 4 of the Mysore Explosives Act, Regulation No. II

of 1888, the Government of His Highness the Maharaja of Mysore propose to make the following amendment to condition 7 (2) of License Form 'B,' Mysore Explosives Rules, and a draft thereof is hereby published for the information of persons likely to be affected thereby. Any suggestions or objections regarding the draft amendment will be received till 15th April 1938 after which date, the draft will be taken into consideration. Objections or suggestions received after that date will not be considered.

Condition 7 (2) of License Form 'B'.

For the word "Fifty" the word "Hundred" shall be substituted.

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. G. 7985—P. H. 157-36-6, dated Bangalore, the 30th March 1938.

Under Section 20 of the Mysore Prevention of Adulteration Act, as amended from time to time, Government are pleased to issue the following Rules in regard to coffee:—

"Coffee" means the seed of cultivated varieties of Coffee Arabica, Coffee Liberica and Coffee Robusta.

"Green, raw or unroasted Coffee" is coffee freed from all but a small portion of its spermoderm, and conforms in variety and in place of production to the name it bears.

"Roasted Coffee" means properly cleaned green coffee which by the action of heat (roasting) has become brown and has developed its characteristic aroma and shall not contain any admixture of other substances than coffee save as under:—

The only permissible adulterant to coffee is chicory, which may be added to the coffee in a proportion not exceeding 50 per cent. The fact of such an addition and the exact proportion of the adulterant shall be clearly indicated on

the label of the container or packet, containing the mixture, in a conspicuous place and in distinct legible letters.

When ground coffee is sold or exposed for sale in loose form; *i.e.*, other than in specifically prepared packets or containers, the receptacles containing the coffee, or, on which it is exposed or kept for sale, shall be labelled with labels indicating the nature and extent of the adulterant present (if any) in letters not less than one-half of an inch in size. Absence of such a label will be taken to imply that the coffee so kept or exposed for sale is meant to be sold as pure coffee.

No. D. 6990—C. S. 11-36-253, dated Bangalore, the 30th March 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule regarding the appointment of members of the Committee of Management of Co-operative Societies at District Headquarters.

Rule 6. B.— The management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen elected in accordance with the bye-laws of the society. Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the Committee shall be persons who have not served at any time during the previous years on the Committee of Management.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring directors to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Land Mortgage Bank and the Mysore Co-operative Institute and to any other Co-operative Institution which may be exempted by Government from the operation of this rule.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

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BANGALORE, THURSDAY, APRIL 21, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. R. 4582—*L. R.* 255-37-5, *dated Bangalore, the* 12—14*th April* 1938.

Under the powers vested in them by Section 233 of the Land Revenue Code and in pursuance of the orders issued in Government Order No. R. 4573-81—L. R. 255-37-4, dated 14th April 1938, the Government are pleased to direct that (i) the following sentence be added as para 2 of rule 38 of the Rules under the said Code :—

"Amildars and Deputy Amildars may order restoration of khates of lands resumed to Government for want of bidders in all cases in which they have power to resume them, on payment of the arrears together with all costs and charges lawfully due by the defaulter, provided the power is exercised within the revenue year next following that to which the arrear or any portion of it relates."

(ii) The undermentioned addition be made at the end of Rule 3 (q) of the Rules under the said Code

"and to restore such lands under Rule 38."

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 3292—*R. T.* 10-37-34, *dated Bangalore, the 12th April* 1938.

The following draft amendment which the Government propose to make in virtue of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, is hereby published for the information of persons likely to be affected thereby and notice is hereby given that any suggestions or objections received on or before 30th April 1938 in respect of the said draft will be considered by the Government before issuing the rule finally :—

Draft Amendment.

In rule 9 of the Mysore Motor Vehicles Rules, 1924 as amended from time to time, the words 'and $\frac{\text{MYS}}{\text{A}}$' be added to indicate the register number exceeding 4 digits of motor vehicles registered in Mysore State.

The rule after amendment will read as follows :—

"9. The distinguishing letters for registration of motor vehicles under these rules shall be "MYS and MYS/A."

By Order,
P. H. KRISHNA RAO,
For *Secretary to Government, General Department* (on leave).

No. Fl. 5845—*Ex.* 61-37-8, *dated Bangalore, 14th April* 1938.

In exercise of the powers conferred by Section 17 of the Matches (Excise Duty) Act, II of 1934, the Government of His Highness the Maharaja are pleased to direct that the following amendments shall be made in the Matches (Excise Duty) Rules, 1934, namely :—

1. In Form A of the Forms appended to the said Rules—

(i) After the words "the following conditions," the letters, figures and words "Nos. I to VII and in the case of expiry, cancellation or surrender of this license, agree to abide by condition No. VIII" shall be inserted.

(ii) After condition No. VII, the following condition shall be inserted, namely :—

"VIII. That in the event of the expiry, cancellation or surrender of this license, he sell or otherwise dispose of stock, if any, of matches on which duty has

not been paid and of unexpended splints and veneers in his possession to holders of a license in Form A within such period as may be fixed by the Deputy Commissioner."

(iii) After the words "any of the abovementioned conditions," the letters, figures, and word "Nos. I to VII" shall be inserted.

2. In form C of the Forms appended to the said Rules:—

(i) After the words "the following conditions," the letters, figures and words "Nos. I to VI and in the case of expiry, cancellation or surrender of this license, agree to abide by condition No. VII" shall be inserted.

(ii) After condition No. VI the following conditions shall be inserted, namely:—

"VII. That in the event of the expiry, cancellation or surrender of this license, he sell or otherwise dispose of the stock, if any, of splints and veneers in his possession to holders of a license in Form A within such period as may be fixed by the Deputy Commissioner."

(iii) After the words "any of the abovementioned conditions" the letters, figures and words "Nos. I to VI" shall be inserted.

3. In Form D of the Forms appended to the said Rules:—

(i) After the words "the following conditions" the letters, figures and words "Nos. I to IV and in the case of expiry, cancellation or surrender of this license, agree to abide by condition No. V" shall be inserted.

(ii) After condition No. IV the following condition shall be inserted, namely:—

"V. That in the event of the expiry, cancellation or surrender of this license, he sell or otherwise dispose of the stock, if any, of splints and veneers in his possession to holders of a license in Form A within such period as may be fixed by the Deputy Commissioner."

(iii) After the words "any of the abovementioned conditions, the letters, figures and word "Nos. I to IV" shall be inserted.

II. The above amendments shall be made in the licenses issued on or after the 15th April 1938.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

No. 3207—*L. C., Bangalore, dated* 19*th April* 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill further to amend the Mysore Village Panchayet Act, 1926, is published for general information.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Report of the Select Committee on the Bill further to amend the Mysore Village Panchayet Act, 1926.

We, the undersigned members of the Select Committee to which the Bill further to amend the Mysore Village Panchayet Act, 1926, was referred, have considered the Bill and have now the honour to submit this our Report.

Clause 2.—In sub-section (1) of Section 36, for the word "impose" the words "assess and recover" may be substituted.

Clause 3.—This clause, as it now stands, may be omitted and the following substituted therefor:

"3. To Section 37, the following sub-clause shall be added:

(3) The Amildar shall assess and recover any such tax, cess, rate or fee."

As no material change has been made in the Bill, it need not be republished.

N. MADHAVA RAU (Chairman).
K. V. ANANTARAMAN.
B. T. KESAVAIENGAR.
H. V. RAMASVAMI.
T. G. RAMA IYER.
M. C. LINGE GOWDA.
S. NIJALINGAPPA.
M. L. NAGAPPA SETTY.
T. RAMACHANDRA.

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BANGALORE, THURSDAY, APRIL 28, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3422—R. T. 10-37-35, dated Bangalore, the 26th April 1938.

In exercise of the powers vested in them under Section 11 of the Motor Vehicles Act, 1928 and Section 33 of the Mysore Road Traffic and Taxes Act, VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 46 of Rule regarding Public Service Motor Vehicles, fixing the hours on duty of drivers and conductors, the draft rules in the said behalf having been published with notification No. T. 300—R.T. 10-37-29, dated 16—18th March 1938, in page 57 of Part IV of the *Mysore Gazette*, dated the 24th March 1938 :—

RULE.

" 46. Hours on duty of drivers and conductors :—

(*a*) No person shall drive or cause or permit any person employed by him or subject to his orders to drive a motor bus (*i*) for any continuous period of more than six hours, or (*ii*) for continuous periods amounting in the

aggregate to more than 11 hours in any period of 24 hours calculated from midnight, or (*iii*) so that the driver has not at least ten consecutive hours for rest in any period of 24 hours calculated from the commencement of any period of driving.

(*b*) All the provisions contained in the above sub-section apply *mutatis mutandis* in respect of conductors in motor buses.

(*c*) Every employer shall give to each driver and conductor a written order of employment in which the hours of duty shall be clearly specified.

(*d*) No driver or conductor shall be on duty outside the hours specified in the written order of his employer.

(*e*) No employer shall issue a written order to a driver or conductor in his employ fixing the hours of duty which is not in accordance with the timing prescribed in sub-section (*a*).

(*f*) In addition to the driver or conductor responsible and punishable for a breach of this rule, the registered owner or the employer shall also be responsible and punishable for such breach.

(*g*) For enforcing the provision contained in (*a*) read above, the proprietor shall maintain a book for each conductor or driver in the prescribed form ;

No..... Date..... No..... Date.....

Bus No. Number of the Bus.

Name of driver or conductor. Name of driver or conductor.

Hour of starting work. Time and Place of arrival. Time and place of departure. Remarks: Initials of checking officer.

Hour closing work.

Signature of Proprietor or Manager.

Signature of Driver or Conductor.

(*h*) The foil of the form shall be with the driver or conductor during his hours of work and got initialled by the Checking Officer at places of checking and returned to the proprietor after his duty, who will paste it with the counterfoil making necessary entries in the latter.

(*i*) These books shall be got printed and supplied by the proprietors of buses and shall be open for inspection by the Police."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 8211—*C. S.* 11-36-255, *dated Bangalore, the* 19—25*th April* 1938.

In exercise of the powers vested in them by Section 44 (2) (b) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to substitute the following rule, for the existing rule 22, in regard to the levy of audit fees from Co-operative Societies, the draft rule in this behalf having been published on 6th January 1938 in the *Mysore Gazette*, at page 5 of Part III (i) of the Gazette.

Substitute the following for the existing rule 22 :—

(1) Every Society will be liable to pay each year such audit fee as the Registrar may prescribe in accordance with the scale, fixed by Government.

(2) The Registrar may, in his discretion, remit the whole, or any part, of the fee payable under Sub-rule (1) by any particular Society, or by any particular class of Societies, for such time as is deemed necessary in each case.

(3) The audit fee levied under Sub-rule (1) shall be paid by the Society to the Registrar within a fortnight from the date of completion of the audit, and on failure to pay as aforesaid, it shall be recoverable in the manner specified in Section 45 of the Mysore Co-operative Societies' Act.

No. D. 8213—*C. S.* 11-36-254, *dated Bangalore, the* 19—25*th April* 1938.

In exercise of the powers vested in them by Section 44 (2) (d) of the Mysore Co-operative Societies Act of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following Rule restricting multiple membership in Co-operative Societies.

Rule 6C.—"No person being a member of a *Credit* society except a Land Mortgage Bank or a Central Financing Bank or a House Building Society, shall be a member of any other *Credit* society, without the general or special sanction of the Registrar; and where a person has become a member of two such credit societies, either or both of the societies shall be bound to remove him from membership upon a written requisition from the Registrar to that effect;

Provided that a month's notice shall be given to the person to select the society in which he wishes to continue as member, and his objections and wishes are duly considered by the Registrar before making the requisition.

Provided further that the Registrar may permit persons who are members of more than one credit society to continue their membership in them only for the purpose of discharging their obligations to these Institutions within a period to be fixed by him and not for contracting fresh obligations or for serving on the Committees of Management of such societies."

No. D. 8263—*C. S.* 11-36-257, *dated Bangalore, the* 26*th April* 1938.

In exercise of the powers vested in them by section 44 (2) (q) of the Mysore Co-operative Societies Act of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to frame the following rule regarding the limit of membership of Urban Co-operative Societies.

Rule 33 :—"In the case of any Urban Co-operative Society, other than a Stores Society, the membership of

which has, in the opinion of the Registrar, become unwieldy, the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed by the Registrar under this Rule, an appeal shall lie to Government within two months from the date of the communication of the order to the society concerned."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

No. 3209—L. C., dated Bangalore, the 22nd April 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the bill for the removal of disabilities arising from change of religion or deprivation of caste is published for general information.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Report on the bill for the removal of disabilities arising from change of religion or deprivation of caste.

We, the members of the Select Committee appointed to consider the bill for the removal of disabilities arising from change of religion or deprivation of caste, have considered the bill and have now the honour to submit this our report :—

Clause 2—Illustration (g).—The illustration may be worded as follows to make the meaning clear :—

> "A Hindu voluntarily renounces the world and becomes a sanyasi. He will not be affected by this Act."

As the bill has not been altered materially, it need not be republished.

S. P. RAJAGOPALACHARI (*Chairman*).
K. R. SRINIVASAIENGAR.
MAHOMED ABBAS KHAN.
B. S. PUTTASWAMY.
MIRLE N. LAKSHMINARANAPPA.
S. NIJALINGAPPA.
D. V. GUNDAPPA.
K. V. ANANTARAMAN.

Messrs. M. Venkatesa Iyengar, P. Subbarama Chetty and Dr. F. X. DeSouza were unable to be present at the meeting.

Printed by the Superintendent at the Government Press, Bangalore.

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BANGALORE, THURSDAY, MAY 5, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3441—R. T. 1-37-31, dated Bangalore, 26—27th April 1938.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Act, No. VI of 1935, as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to direct (1) that a sub-toll-gate be opened at Marvalli Kanive to serve as a check gate to the main Khavaspur toll-gate in the Shikarpur Taluk, Shimoga District, and (2) that this check gate and Khavaspur main gate be treated as one toll-gate, the payment of toll at one gate exempting vehicles, etc., from the payment of the same at the other.

No. T. 3472—*R. T.* 10-37-36, *dated Bangalore, the* 28—29*th April* 1938.

In exercise of the powers conferred upon them by sub-section (4) of section 9 of the Mysore Road Traffic and Taxes Act No. VI of 1935 as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rule 24 (a) of the Mysore Motor Vehicles Tax Rules, Part I (page 143 of the Mysore Motor Manual) :—

Amendments.

24. (a) At the end of the 2nd sentence add "or the half-year as the case may be."

In the last sentence add "or the half year as the case may be" after the word "quarter."

The rule after the first sentence will read as follows with the amendments referred to above :—

"24. (a) * * *

The said person shall, on application, obtain the license or the license and the permit, as the case may be, from the said officer if the vehicle is put into use again during the course of the quarter or the half-year as the case may be. The said officer shall return the license or the license and the permit together with an order to a treasury for the refund of the amount, if a refund is sanctioned by him. If the vehicle is not used during the whole of the quarter or the half-year as the case may be, the license need not be returned but necessary refund may, on application, be granted."

No. T. 3583—*R. T.* 10-37-35, *dated Bangalore, 3rd May* 1938.

In exercise of the powers conferred upon them by section 13 of the Mysore Road Traffic and Taxes Act No. VI of 1935 as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rule 7 of the Mysore Motor Vehicles Tax Rules, Part I :—

Amendments.

Substitute the following for the existing Rule 7 :—

"7 (*a*) Every person making the payment of a tax shall deliver to the Licensing Officer a declaration in duplicate in form (2) attached to these rules. The original of every declaration shall be filed in the Office of the Licensing Officer and the duplicate shall be forwarded along with the duplicate copy of the license to the Inspector-General of Police as prescribed in Rule 11 below. A separate declaration shall be presented in respect of each vehicle or trailer.

(*b*) If the tax relates to a past period for which no license is needed or represents a deficit due for a past or a current period for which a license has already been taken, the declaration in duplicate shall be accompanied also by an ordinary chellan duly filled in. This chellan will be receipted and returned to the presenter by the Licensing Officer. The declaration forms will be dealt with in the manner prescribed for current tax.

(*c*) (i) If a tax is collected by a court, the court shall prepare a receipt for having collected the money, in triplicate. The original shall be given to the defaulter from whom tax is collected, the second copy sent to the Inspector-General of Police and the third one retained for record in the court.

(ii) The party shall apply for a license, if the tax paid by him to the court is for a current period, by tendering the receipt (or receipts if the tax has been paid by him in instalments during the period for which it relates), to any Treasury Officer who is a Licensing Officer and that Licensing Officer shall issue a license in exchange for the receipt (or receipts), the particulars for the license being taken from the respective Registration Certificates.

Note.—Such a license shall be exhibited on the vehicle as laid down in Rule 16 *infra*.

(iii) If the tax paid to the court is for a period that has expired or a deficit for such period or for a current period for which a license has been taken, the court receipt received in the Office of the Inspector-General

of Police shall be considered to be a sufficient record and the party paying the amount need not take any license in exchange for the receipt given to him by the court."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 8383—C. S. 11-36-258, dated Bangalore, the 29th April 1938.

Corrigenda.

For the word "years" in line 10 of Rule 6B published in Notification No. D. 6990—C. S. 11-36-253, dated 30th March 1938, appearing in page 73 of Part IV of the *Mysore Gazette*, dated the 7th April 1938, *read* "year."

The rule with the correction will read as follows :—

RULE 6B.—The management of every society situated at district headqurters shall vest in a committee consisting of not less than five and not more than fifteen elected in accordance with the bye-laws of the society. Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the Committee shall be persons who have not served at any time during the previous year on the Committee of Management.

The Registrar may, in the case of any society in which he considers that facilities for the enforcement of such restriction do not exist, permit all or any of the retiring directors to stand for re-election.

Nothing in this rule shall apply to the Apex Bank, the Central Land Mortgage Bank and the Mysore Co-operative Institute and to any other

Co-operative Institution which may be exempted by Government from the operation of this rule.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

DRAFT ADDENDA AND CORRIGENDA SLIP TO MYSORE SERVICE REGULATIONS.

No. Fl. 6281-83—*S. & A.* 156-36-8, *dated* 28*th April* 1938.

Page 34. *Article* 101.

Insert the following as Note 2 to the Article :—

"Note 2.—On days when an educational institution is held in the mornings only, the officer who is expected to join duty on the forenoon of that day should do so as soon as the office or school commences work. The officer who is relieved on such days after the day's work is over should be treated to have been relieved on the afternoon, even though he is relieved before noon."

By Order,

S. SHAMANNA,

Secretary to Government,
Financial Department.

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Regd. No. M.—1175.

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BANGALORE, THURSDAY, MAY 12, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 6264—*Cts.* 188-37-1, *dated Bangalore, the 9th May* 1938.

The Government of His Highness the Maharaja of Mysore are pleased to direct under Section 1 (iii) of the Mysore Extradition Act VI of 1938 that the said Act shall come into force with effect from the 1st June 1938.

By Order,

H. V. RAMASVAMI,

Offg. *Chief Secretary to Government.*

No. T. 3641—*R. T.* 9-37-25, *dated Bangalore, the 6th May* 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Act VI of 1935, as amended by Act IX of 1936, the Government of His Highness the Maharaja are pleased to exempt Lieut. Colonel J. B. Hance, O.B.E., I.M.S., Residency Surgeon, residing within the Mysore Territory, from the payment of Vehicle Tax in respect of his motor car Fiat 1933 Model bearing the Bombay Registration No. W. 5742.

No. T. 3676—*R. T.* 10-37-38, *dated Bangalore, the 9th May* 1938.

The following draft amendment which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act 1928, to Rule 12-A of the Mysore Motor Vehicles Rules 1924 as amended from time to time and printed at page 48 of the Mysore Motor Manual, is hereby published for the information of persons likely to be affected thereby and any suggestions or objections received on or before the 10th June 1938 will be considered by Government before issuing the rule finally.

Draft Amendment.

Substitute the following for Rule 12-A of the Mysore Motor Vehicles Rules 1924:—

"Whenever the structure of a motor vehicle once registered is so altered as to increase or decrease the weight of the vehicle or alter its carrying capacity, the registered owner or person in possession or having control of the vehicle, shall surrender the original certificate of registration to the Registering Authority and obtain a fresh number and certificate of registration for the vehicle on payment of the fee prescribed in Rule 4 of the Motor Vehicles Rules.

NOTE.—A vehicle is said to be altered, among other things, when the engine or chassis is changed.

The Registering Authority shall, if he is satisfied that the owner or person in possession of or having the control of the vehicle has been delaying the registration of the vehicle under the above clause, without assigning sufficient reasons for the delay, suspend the original registration of the vehicle until the vehicle is re-registered."

No. T. 3678—R. T. 10-37-39, dated Bangalore, the 10th May 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act 1928, and Section 33 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Mysore Motor Vehicles Rules 1924, as amended from time to time, the draft in the said behalf having been already published with Notification No. T. 2118—R. T. 10-37-13, dated 15th January 1938 at page 12 part IV of the *Mysore Gazette*, dated 20th January 1938.

Amendment.

The following shall be added as Rule 16 (C) of the Mysore Motor Vehicles Rules 1924, as amended from time to time:—

16(C)—(1) The Traffic Board, may, either on its own motion or on an application made by the party affected, call for and examine the record of any enquiry made or order passed by the District Magistrate under Rule 16 (B), for the purpose of satisfying itself as to the legality or propriety of any decision or order passed and as to the regularity of the proceedings of the District Magistrate. If, in any case, it shall appear to the Board that any decision or order or proceedings so called for should be modified, annulled or reversed, the Board may pass such order thereon as it may deem fit.

(2) No application made by the party affected shall be entertained by the Board unless it is presented within sixty days from the date of the order complained against.

(3) Subject to the powers of revision vested in the Board, the order of a District Magistrate suspending or cancelling a Driving License, shall be final.

(4) In any application for revision under the foregoing rules, the Board may, pending the disposal of the application, direct the execution of the decision or order complained against to be suspended.

(5) The power of the Board under any of the foregoing rules may be exercised by the Chairman or by any other member or members of the Board as may be authorised by the Chairman in this behalf.

(6) The decision of the Traffic Board shall be final.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. G. 8913—*P. H.* 44-37-16, *dated Bangalore, the 9th May* 1938.

Under Section 1 (2) of the Mysore Prevention of Adulteration Act IX of 1921, as amended by Acts IV of 1929 and IV of 1930, Government are pleased to extend the provisions of the said Act to the Mandya Town Municipality in respect of milk (Buffaloes' and Cows'), butter and ghee.

By Order,

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

No. 3718—*L. C. Bangalore, dated* 10*th May* 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1911, is published for general information.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Report of the Select Committee on the Bill further to amend the Code of Civil Procedure, 1911.

We, the members of the Select Committee appointed to consider the Bill further to amend the Code of Civil Procedure, 1911, have considered the Bill and have now the honour to submit this our Report :—

The only change that we recommend is that for "*June*" in clause 3, the word "July" may be substituted.

As the Bill has not undergone any material alteration, it need not be republished.

S. P. RAJAGOPALACHARI (*Chairman*).
MIRLE N. LAKSHMINARANAPPA,
T. RAMACHANDRA,
J. MOHAMED IMAM,
G. GIRIMAJI RAO,
K. R. SUBBANNACHAR.

Messrs. M. Venkatesa Iyengar and P. J. Crowle were unable to be present at the meeting.

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Regd. No. M.—1175.

The Mysore Gazette

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BANGALORE THURSDAY, MAY 19, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3690—*R. T.* 10-37-40, *dated Bangalore, the* 10*th May* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 32 (ii) of the Rules regarding Public Service Motor Vehicles issued with Notification No. P. 3992—Legis. 46-35, dated 18th December 1935 as amended from time to time (*vide* page 90 of the Mysore Motor Manual 1938) the draft amendment in the said behalf having already been published with Notification No. T. 2918—R. T. 10-37-27, dated 16th March 1938 at page 55 of Part IV of the *Mysore Gazette*, dated the 17th March 1938.

AMENDMENT.

The following rule shall be substituted for Rule 32 (ii) of the Rules regarding Public Service Motor Vehicles :—

> " 32 (ii) Permit-holders shall maintain additional vehicles as spares for the running of relief services in cases of break-down of vehicles used on regular service or in other emergencies, on the scale of one spare bus for every five buses used on regular services.

Permit-holders maintaining less than five buses are exempt from maintaining a spare bus but they should make proper arrangements for purposes of relief in emergencies. The licenses of such permit-holders shall be cancelled in case of default of the aforesaid condition."

No. T. 3715—R. T. 9-37-26, dated Bangalore, the 12th May 1938.

In exercise of the powers conferred on them by Sections 13 and 22 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to exempt the Yuvaraja of Jind from payment of all taxes and tolls under the said Act and also all tolls due under the Municipal Acts in respect of his motor vehicles during the period of his present stay in Mysore State.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

No. G. 9002—P. H. 44-37-18, dated Bangalore, the 11th May 1938.

Under Section 90 of the Mysore Prevention of Adulteration Act IX of 1921 as amended by Acts IV of 1929 and IV of 1930, Government propose to make the rules issued in Notification No. G. 2463—Sany. 61-30-7, dated the 22nd September 1931 (annexed hereto) applicable to the Mandya Town Municipality. Any objections to this proposal, if made in writing and received on or before the 1st June 1938, will be duly considered.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local-Self Government Department.

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act, IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample

of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an

unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added ahall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels,

receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

No. G. 8989—*P. H.* 44-37-19, *dated Bangalore, the* 11*th May* 1938.

Under Section 20 of the Mysore Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government are pleased to extend to the Bhadravati New Town Board Area the following rules issued with Government Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 :—

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted

without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows:—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed

for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison

with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an un-ambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient

has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give

the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

No. 3733—L. C. Bangalore, dated 12th May 1938.

Under Standing Order No. 49 of the standing orders for the conduct of business of the Mysore Legislative Council, the following Report of the Select Committee on the Bill further to amend the Mysore Limitation Act, 1911, is published for general information,

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council

Report of the Select Committee on the Bill further to amend the Mysore Limitation Act, 1911.

We, the undersigned members of the Select Committee to which the Bill further to amend the Mysore Limitation Act 1911, was referred, have considered the Bill and have now the honor to submit this our Report.

2. We consider that no changes are necessary.

3. The Bill need not be republished.

K. R. SRINIVASA IYENGAR
(*Chairman*),
C. HAYAVADANA RAO,
BELUR SRINIVASA IYENGAR,
MIRLE N. LAKSHMINARANAPPA,
M. VENKATESA IYENGAR.

Messrs. B. S. Puttuswamy and P. Subbarama Chetty were unable to be present at the meeting. *Rajamantrapravina* S. P. Rajagopalachari being unable to be present at the meeting, *Rajasabhabhushana Diwan Bahadur* K. R. Srinivasa Iyengar was elected as Chairman.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M.—1175.

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BANGALORE, THURSDAY, JUNE 2, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3877—*R. T.* 10-37-41, *dated Bangalore, the* 30*th May* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft in the said behalf having already been published with Notification No. T. 3292—R. T. 10-37-34, dated 12th April 1938 in Part IV of the *Mysore Gazette*, dated 21st April 1938.

Amendment.

In Rule 9 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the words 'and $\frac{\text{MYS}}{\text{A}}$' be added to indicate the register number exceeding 4 digits of motor vehicles registered in Mysore State.

The rule after amendment will read as follows:—

"9. The distinguishing letters for registration of motor vehicles under these rules shall be MYS and MYS/A."

By Order,

C. SUBRAHMANYA AIYAR,
Ag. *Secretary to Government,*
General Department.

No. D. 9017—Geol. 55-37-7, dated Bangalore, the 30th—31st May 1938.

In exercise of the powers conferred by Section 4 of the Mysore Explosives Act No. II of 1888, the Government of His Highness the Maharaja of Mysore are pleased to make the following amendment to condition 7 (2) of License Form 'B', Mysore Explosives Rules:—

Condition 7 (2) of License Form 'B':—

For the word "Fifty" the word "Hundred" shall be substituted.

By Order,

M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. G. 9606—P. H. 44-37-23, dated Bangalore, the 31st May 1938.

Under Section 20 of the Mysore Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government propose to make the rules issued in Notification No. G. 2463—Sani. 61-30-7, dated 22nd September 1931 (annexed hereto) applicable to the Magadi Town Municipality. Any objections to this proposal, if made in writing and received on or before 1st July 1938, will be duly considered.

By Order,

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act, IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health

Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows :—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less

than three per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale

or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk,

any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added ahall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of

the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

No. G. 9603—P. H. 44-37-22, dated, Bangalore the 31st May 1938.

Under Section 1 (2) of the Mysore Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government are pleased to extend the provisions of the said Act to Magadi Town Municipality, in respect of milk (cow's and buffalo's), ghee and butter.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

No. P. 6825, dated 1st June 1938.

In exercise of the powers conferred by section 20 of the Mysore Extradition Act VI of 1938, the Government of His Highness the Maharaja of Mysore are pleased to make the following rules; namely:—

[SUB-SECTION 2 (b).]

1. In any proceedings against any person under the provisions of the Mysore Extradition Act VI of 1938, or of any extradition arrangements for the extradition of offenders, the magistrate, acting in such proceedings and any police officer authorised to arrest such person under the provisions of the said Act or of such extradition arrangements may exercise in any place in Mysore in

respect of any property in the possession of such person or of any other person which appears to such magistrate or police officer to have been the subject of or to be required for proof of the offence in respect of which the proceedings are being taken, the powers respectively of a court and of an officer in charge of a police station under the Code of Criminal Procedure, 1904, as if such property were property the production of which is necessary for the purposes of any investigation or trial under the said Code by or before such Court or officer, and the provisions of the said code, so far as they can be made applicable, shall apply to any summons or warrant issued in pursuance of this Rule and to any search made under the authority of any warrant so issued and to the disposal of any property seized in any such search.

2. Such magistrate may send such property to the Provincial Government or the State to which such person is surrendered and shall have, in respect of any such property produced before him in such proceedings or returned by the aforesaid States all the powers of disposal vested in a Court under the Code of Criminal Procedure, 1904, in respect of any property produced before it during any inquiry or trial.

[SUB-SECTION 2(*d*).]

3. Warrants, depositions or statements on oath which purport to have been issued, received or taken by any Court of Justice outside the Mysore State, or copies thereof, and certificates of, or judicial documents stating the fact of, conviction before any such court, shall be deemed duly authenticated;

(*a*) if the warrant purports to be signed by a Judge, Magistrate or Officer, of the State or Provincial Governments in British India where the same was issued or acting in or for such State or Provincial Government;

(*b*) if the depositions or statements or copies thereof purport to be certified, under the hand of a Judge, Magistrate or Officer of the State or Provincial Government where the same were taken, or acting in or for such State or Provincial Government to be the original depositions or statements or to be true copies thereof, as the case may require;

(*c*) if the certificate of, or judicial document stating the fact of a conviction purports to be certified by a

Judge, Magistrate or Officer of the State or Province where the conviction took place or acting in or for such State or Provincial Government;

(*d*) if the warrants, depositions, statements, copies, certificates and judicial documents, as the case may be, are authenticated by oath of some witness or by the official seal of a Minister of the State or Provincial Government where the same were respectively issued, taken or given.

[SUB-SECTION 2(*e*).]

4. The District Magistrates in British India or the Chief Presidency Magistrates in any Presidency Towns in British India and the Political Agents of the States shall be the authorities whose requisitions may be acted upon under this Act.

[SUB-SECTION 2(*f*).]

5. All communications in matters of extradition, between this State and other Indian States or between this Government and any Provincial Government in British India shall pass through the Mysore Residency.

By Order,

H. V. RAMASVAMI,

Offg. *Chief Secretary to Government.*

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 3969—R. T. 38-37-10, dated Bangalore, 4th June 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Act VI of 1935, as amended by Act IX of 1936, the Government of His Highness the Maharaja are pleased to direct that taxes in respect of buses and lorries registered within 14 days prior to the ending of a quarter shall be collected only from the quarter immediately following such registration, provided that the said vehicles are not used during the quarter in which they were registered.

By Order,

C. SUBRAHMANYA IYER,

(Ag.) *Secretary to Government,*

General Department.

No. D. 9100—*C. S.* 11-36-264, *dated Bangalore, the 2nd June* 1938.

ERRATUM.

For the figure "44 (2) (*b*)" in Notification No. D. 8211—C. S. 11-36-255, dated 25th April 1938, published in Part IV of the *Mysore Gazette*, dated the 28th April 1938, read "44 (2) (*h*)."

No. D. 9155—*C. S.* 11-36-265, *dated Bangalore, the 4th June* 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule in the matter of the constitution of the Mysore Provincial Co-operative Apex Bank, Ltd., Bangalore:—

Rule 32.—1. The management of the Mysore Provincial Co-operative Apex Bank, Ltd., shall vest in a Board of Directors consisting of 15 persons including the President.

2. The President of the Board shall be elected annually by the General Body at the Annual General Meeting subject to the approval of Government.

3. Two Directors shall be nominated by Government and they shall hold office till their successors are appointed.

4. Of the remaining Directors, five shall be representatives of affiliated rural co-operative societies, five of affiliated urban co-operative societies and two of preference share-holders.

5. The representatives of rural and urban affiliated co-operative societies and of the preference share-holders shall be elected at the Annual General Meeting of the Bank by their own respective groups of electors.

6. The members of the Board nominated by Government under Clause 3 above, need not necessarily be share-holders of the Bank.

7. Of the twelve members of the Board elected in accordance with Clause 5 above, five shall retire by rotation at each annual general election, two each from out of the representatives of the rural and urban affiliated co-operative Societies and one from out of the representatives of preference share-holders and they shall not be eligible for re-election till the next following Annual General Meeting of the Bank, the Directors to retire every year being determined by lot at a meeting of the Board prior to such annual general meeting and their names being mentioned in the Annual Report.

8. Any casual vacancy occurring in the Office of the President or other elected Directors by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the numbers of representatives of the preference share-holders and of urban and rural societies is in conformity with Clause 4 above, the election of the President being subject to the approval of Government.

9. The Chief Executive Officer of the Bank shall be the Secretary. He shall be a whole-time salaried Officer who shall be appointed by the Board subject to the approval of Government. He shall not be a member of the Board.

10. The Bank shall have a qualified Auditor on its staff for purposes of internal continuous audit and his appointment shall be subject to the approval of the Registrar.

N.B.—The expression "Urban Co-operative Societies" in this Rule shall mean and include all co-operative societies situated within the jurisdiction of the City and Town Municipalities in Mysore.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. T. 3995—R. T. 10-37-42, Dated, Bangalore, the 7th June 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 1-B of the Mysore Motor Vehicles Rules, 1924, as amended from time to time (*Vide* page 39 of the Mysore Motor Manual, 1938), the draft in the said behalf having already been published with Notification No. T. 2502—R. T. 10-37-20, dated 15th February 1938, at page 41, Part IV of the *Mysore Gazette*, dated 17th February 1938.

Amendment.

Substitute the following for Rule 1-B of the Mysore Motor Vehicles Rules, 1924, as amended from time to time.

"1-B. The owner or person in charge of a moving lorry whether private or for hire, or a moving public service motor vehicle, shall keep the Registration Certificate and shall produce it when required by a Police Officer in uniform who is not below the rank of a Sub-Inspector of Police or who being below such rank is specifically authorised in this behalf by the Inspector-General of Police."

By Order,

C. SUBRAHMANYA AIYAR,

Ag. *Secretary to Government,*
General Department.

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BANGALORE, THURSDAY, JUNE 23, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 4081—R. T. 26-37-22, dated Bangalore, the 16th June 1938.

Subject.—*Refund of Taxes.*

In exercise of the powers conferred upon them by sub-section (4) of section (9) of the Mysore Road Traffic and Taxes Act No. VI of 1935 as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to issue the following amendment to clause (d) of Rule 24 of the Mysore Motor Vehicles Tax Rules, Part I (Page 144 of the Mysore Motor Manual) :—

Amendment.

Rule 24 (d). Delete the words "on tour" at the end of sub-clause (i).

The sub-clause after the said amendment will read as follows :—

"(i) the said person being out of the State."

No. T. 4084—*R. T.* 9-37-31, *dated Bangalore, the* 16*th June* 1938.

In exercise of the powers conferred on them by Sections 13 and 22 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the marginally noted Motor Vehicles belonging to His Highness the Prince of Berar be exempt from taxes and tolls under the said Act and also all tolls due under the Municipal Acts, during the period of His Highness's present stay in Mysore State.

Buick Grey 1937 Model, distinguishing No.			Hyderabad.
Buick Yellow 1936	do	do	do
Plymouth grey 1937	do	do	do
Plymouth 1937	do	do	do
Austin 1937	do	do	do
Chevrolet 1937	do	do	do
Oldsmobile 1937	do	do	do
International Bus			do

No. T. 4141—*R. T.* 10-37-46 *Bangalore, dated the* 20*th June* 1938.

The following draft amendment which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act, 1928, to Rule 45 (i) and (ii) of the Rules regarding public service motor vehicles as amended from time to time (*vide* page 98 of the Mysore Motor Manual, 1938) is hereby published for the information of persons likely to be affected thereby and any suggestions or objections received on or before the 14th July 1938 will be considered by Government, before issuing the rule finally :—

Draft Amendment.

The following may be substituted for Rule 45 (i) and (ii) of the Rules regarding public service motor vehicles (*vide* page 98 of the Mysore Motor Manual, 1938).

45. (*i*) The proprietor of motor buses should obtain a duly numbered driver's badge from the District Superintendent of Police in respect of each vehicle maintained by him. The proprietor shall supply such badge to the driver of the vehicle in respect of which the badge is issued. The driver shall wear the badge in a conspicuous place on his left breast.

(*ii*) The fee payable for a badge shall be one rupee. If a badge is lost, a new one shall be obtained on payment of a similar fee.

(*iii*) The proprietor shall surrender the badge to the District Superintendent of Police on the permit for the vehicle being suspended or cancelled or becoming time expired. If the badge is not surrendered, the proprietor shall be liable to pay a fee of one rupee to the District Superintendent of Police.

No T. 4151—*R. T.* 10-37-47, *dated Bangalore,* 20*th June* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act 1928, and Sections 5 and 33 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendments to Rule 9(i) of the Rules regarding permits for Motor Lorries and Rule 52 of the Rules regarding Public Service Motor Vehicles (*vide* pages 126 and 100 respectively), the draft in the said behalf having already been published with Notification No. T. 2873—R. T. 10-37-24, dated 9—11th March 1938, at page 53 Part IV of the *Mysore Gazette*, dated 17th March 1938.

AMENDMENTS.

The following rule shall be added as Rule 9(i) to the Rules regarding permits for Motor Lorries issued with Notification No. P. 3993—Legis. 46-35, dated 18th December 1935, and the existing Rules 9(i), (ii) and (iii) be re-numbered as (ii), (iii) and (iv) respectively. (*Vide* page 126 of the Mysore Motor Manual 1938.)

"9 (i). A private carrier's permit will be given only if the District Magistrate is satisfied as to the solvency and fitness of the person applying for the permit."

The following rule shall be added as rule 52 (i) of the rules regarding Public Service Motor Vehicles issued with Notification No. P. 3992—Legis. 46-35, dated 18th

December 1935, and the existing rule 52 re-numbered as 52 (ii). (*Vide* page 100 of the Mysore Motor Manual 1938.)

"52 (i). A permit to ply a motor cab will be given only if the District Magistrate is satisfied that the person applying for the permit is a fit and proper person and has the capacity to manage the service efficiently."

No. T. 4161—*R. T.* 10-37-48, *dated Bangalore, the* 20*th June* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, he Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 3 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft in the said behalf having already been published with Notification No. T. 2874—R. T. 10-37-25, dated 9/11th March 1938, at page 54, Part IV of the *Mysore Gazette*, dated 17th March 1938.

AMENDMENT.

The following shall be added as Note to para 1 of Rule 3 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

NOTE.—The registration of a motor vehicle purchased under a hire purchase agreement shall be effected only after the hirer satisfies the registering authority as to his status and financial stability.

No. T. 4171—R. T. 38-37-12, Bangalore, dated 20th June 1938.

Subject.—RECOVERY OF NET TAX.

In exercise of the powers vested in them under section 13 of the Mysore Road Traffic and Taxes Act No. VI of 1935, as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to

direct that the following rule be inserted as Rule 2c under the Mysore Motor Vehicles Tax Rules, Part I.

"2c.—The Inspector-General of Police in Mysore is authorised to collect, for periods which have expired and where issue of license is not involved, the net amount of tax actually due, that is to say, the tax due for the quarter or half year as the case may be, less the amount to be refunded for the period of non-use according to rules, on Motor Vehicles in respect of which he is competent to sanction refunds."

By Order,

C. SUBRAHMANYA AIYAR,

Ag. *Secretary to Government,*
General Department.

No. D. 9381—*C. S.* 11-36-267, *Bangalore, dated* 20*th June* 1938.

Corrigenda.

In line 4 of Rule 6-B published in Notification No. D. 8383—C. S. 11-36-258, dated 29th April 1938, appearing in page 88 of Part IV of the *Mysore Gazette*, dated 5th May 1938, insert "Members" between the words "fifteen" and "elected."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

No. G. 9987—P. H. 44-37-24, dated Bangalore, the 20th June 1938.

Under Section 20 of the Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government are pleased to extend to the Mandya Town Municipality the following rules issued with Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 :—

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed

with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows:—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved,

that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the

purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

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BANGALORE, THURSDAY, JUNE 30, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 4233—R. T. 10-37-50, dated Bangalore, 22nd June 1938.

The following draft amendment which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act, 1928, to Rule 3 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time is hereby published for the information of persons likely to be affected thereby and any suggestions or objections in respect of the said draft received on or before the 15th July 1938, will be considered by Government.

DRAFT AMENDMENT.

The following will be substituted for the existing clause (ii) of the proviso to Rule 3 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time. (*Vide* page 40 of the Mysore Motor Manual).—

(ii) After the holder has ceased to be such a resident or has been resident in the Mysore State for four continuous months.

No. T. 4276—*R. T.* 9-37-33, *dated Bangalore,*
24*th June* 1938.

The Government of His Highness the Maharaja are pleased to direct that the words "Austin (York Saloon) bearing Mysore registration number MYS 8844" shall be substituted for the words "Fiat 1933 model bearing the Bombay registration number W. 5742" occurring in the last sentence of Notification No. T. 3641—R. T. 9-37-25, dated 6th May 1938, published at page 92, Part IV of the *Mysore Gazette*, dated 12th May 1938.

By Order,
C. SUBRAHMANYA AIYAR,
Ag. *Secretary to Government,*
General Department.

No. D. 9434—*C. S.* 11-36-268, *dated Bangalore,*
22*nd June* 1938.

In exercise of the powers vested in them under Section 44 (2) (*f*) and (*g*) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule in the matter of the exclusion of political and religious activities from the co-operative movement:—

Rule 34. "No society may take any action which would involve the society in the discussion or propagation of controversial opinions of a religious or political character and the Registrar may prohibit any action or rescind any resolution which in his opinion is of such a tendency."

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

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BANGALORE, THURSDAY, JULY 7, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. T. 22—R. T. 1-38-2, dated Bangalore, the 2nd July 1938.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the toll-gates noted below be abolished with effect from 1st July 1938.

1. KADUR DISTRICT—
   (1) Hariharapura.
   (2) Kote Danivasa.
   (3) Uppahalli.
   (4) Balehonnur.
   (5) Sakrepatna.
2. TUMKUR DISTRICT—
   (1) Oordigere.
   (2) Kibbanahalli.
   (3) Mayasandra.

By Order,

C. SUBRAHMANYA AIYAR,

Offg. *General Secretary to Government.*

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 42—R. T. 9-37-35, dated Bangalore, 6th July 1938.

In exercise of the powers conferred on them by Sections 13 and 22 of the Mysore Motor Vehicles Act VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the motor car bearing Hyderabad State No. 5 belonging to His Highness the Prince of Berar be exempt from payment of taxes and tolls under the said Act and also all tolls due under the Municipal Acts, during the period of His Highness's present stay in Mysore State.

By Order,

C. SUBRAHMANYA AIYAR,

Offg. *Secretary to Government,*

General Department.

No. D. 108—*I. & C.* 228-37-3, *dated Bangalore, 7th July* 1938.

In exercise of the powers vested in them under Section 24 of the Mysore Steam Boilers and Prime Movers Act III of 1920, the Government of His Highness the Maharaja of Mysore are pleased to make the following additional Rule to the rules framed under the Act, draft of which was published with Notification No. D. 6799—I. & C. 228-37-2, dated 23rd March 1938, at page 64 of Part IV of the *Mysore Gazette*, dated 31st March 1938.

Rule 27-A. On sufficient cause being shown, it shall be open to the Officer issuing the license to grant a duplicate of the same on payment of the fee of Rs. 2.

No. G. 150—*Ft.* 175-36-22, *dated Bangalore, 7th July* 1938.

In exercise of the powers vested under Sections 37, 71 and 76 of the Mysore Forest Act of 1900, the Government of His Highness the Maharaja of Mysore are pleased to make an additional rule as Rule 3 (a) as noted below, relaxing the rules regarding the transit of fuel and charcoal from inam lands or private holdings issued with Notification No. G. 1568—Ft. 138-33-3, dated the 21st—27th August 1935:—

Rule 3 (a).

"Application for mafi passes for the transit of fuel or charcoal from the holdings of the applicants and required for the applicants' *bona fide* domestic use may be presented to the village Patels also. If the Patel is satisfied that the fuel or charcoal specified in the application is for the applicants' *bona fide* domestic use, then he shall issue a pass to the applicant in the prescribed form under his signature subject to the condition that the quantity of fuel or charcoal that may be permitted to be removed by any applicant shall *not exceed four cart loads* in a month and transmit the application within a week to the concerned Forest Range Officer along with the duplicate pass."

By Order,
M. VENKATANARANAPPA,
Secretary to Government,
Development Department.

No. D. 203—*C.S.* 79-36-13, *dated Bangalore,* 8—11*th July* 1938.

In exercise of the powers vested in them under Section 44 (1) of the Mysore Co-operative Societies' Act, 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to amend as hereunder the third para of Rule 18 of the rules under the Act, in regard to the payment of honorarium to office-bearers of Co-operative Societies:—

"The bonus or honorarium payable to the office-bearers of Co-operative Societies who hold office honorarily shall not ordinarily exceed in the aggregate 15 per cent of the net profits remaining after contribution to the reserve fund subject to a maximum of Rs. 300. The Registrar may, in special circumstances, permit payment, if sanctioned by the General Body, up to Rs. 500 subject to the above limitation of 15 per cent of the net profits. In cases where the bonus calculated on the above basis falls below Rs. 30, the General Body may, subject to the approval of the Registrar, sanction a bonus not exceeding Rs. 30, whether or not such bonus exceeds 15 per cent of the net profits as herein-to-before mentioned. Where no clerical assistance is given to the Secretary, an additional 5 per cent may be allowed notwithstanding the fact that such addition may make the whole bonus exceed Rs. 300."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

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The Mysore Gazette

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BANGALORE, THURSDAY, JULY 21, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

Order No. P. 258—Legis. 1-38-1, dated Bangalore, 12th July 1938.

Ordered that the accompanying Act to restrict the transfer of Government Savings Certificates and to provide for the payment of certificates standing in the name of deceased persons, which received the assent of His Highness the Maharaja, on the fourth day of July 1938, be published as Act X of 1938, in the *Mysore Gazette* for general information.

C. SUBRAHMANYA AIYAR,
Offg. *Secretary to Government,*
General Department.

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ACT X OF 1938.

(Received the assent of His Highness the Maharaja on the fourth day of July 1938.)

Act to restrict the transfer of Mysore Government Savings Certificates and to provide for the payment of Certificates standing in the name of deceased persons.

Whereas it is expedient to restrict the transfer of Mysore Government Savings Certificates and to provide for the payment of Certificates standing in the name of deceased persons; it is hereby enacted as follows :—

Short title, extent and commencement.

1. (1) This Act may be called the Mysore Government Savings Certificates Act, 1938.

(2) It extends to the whole of Mysore.

(3) It will come into force at once.

Prohibition of transfer of Mysore Government Savings Certificates without the consent of the Treasury Officers.

2. (1) Notwithstanding any provision in any enactment or any rule of law for the time being in force to the contrary, no transfer of a Mysore Government Savings Certificate shall be valid without the previous consent in writing of the officer in charge of the treasury in whose books it is for the time being registered.

(2) In this connection "transfer" means a transfer *inter vivos* and does not include a transfer by operation of law.

Payment on death of holder of Mysore Government Savings Certificates.

3. (1) If a person dies and is at the time of his death the holder of a Mysore Government Savings Certificate, payment of the sum for the time being due on such Certificate may be made in the manner provided in the Savings Banks Act V of 1873 for the payment of deposits belonging to the estates of deceased persons, and the provisions of sections 4 to 9 of the said Act shall apply accordingly as if the holder of such Certificate were a depositor in a Government Savings Bank and the sum for the time being due on such Certificate were a deposit in such a Bank:

Provided that the powers conferred by the said provisions on the Secretary of a Government Savings Bank shall be exercisable by the Comptroller:

Provided further that, where in any one case payment is to be made of Certificates issued from more treasuries than one, the said powers shall be exercisable by the Comptroller.

(2) Nothing in sub-section (1) shall be deemed to require any person to accept payment of the amount due on a Mysore Government Savings Certificate before the same has reached maturity.

4. (1) Notwithstanding anything in section 45 of the Indian Contract Act 1872, as in force in Mysore, when a Government Savings Certificate is payable to two or more persons jointly and either or any of them dies, the Certificate shall be payable to the survivor or survivors of those persons and when all the joint holders are dead, it shall be payable to the registered nominee, and in the absence of nomination, to the representative of the last surviving joint holder in accordance with the provisions contained in section 3.

(2) This section shall apply whether such death occurred or occurs before or after this Act comes into force.

(3) Nothing herein contained shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any certificate to which sub-section (1) applies.

MIRZA M. ISMAIL,
Dewan.

Order No. T. 97—R.T. 9-37-37, dated Bangalore, the 14th July 1938.

In exercise of the powers conferred on them by section 13 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to direct that the levy of the reduced rate of service tax of Rs. 3-12-0 per seat per quarter, on motor buses of Mysore City Bus Service, granted under Notification No. T. 2351—R.T. 9-36-13, dated 7th June 1937 till the 30th June 1938, be extended till the 30th June 1939.

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No. T. 103—*R. T.* 10-37-37, *dated Bangalore, the* 15*th July* 1938.

The following draft proviso, which the Government propose to make in virtue of the powers vested in them under section 11 of the Mysore Motor Vehicles Act 1928 is hereby published for information of persons likely to be affected thereby and any suggestions or objections received on or before the 10th August 1938, in respect of the said draft will be considered by Government before issuing the rule finally :—

Draft Proviso.

The following will be added as proviso to Rule 1-A of the Mysore Motor Vehicles Rules 1924, as amended from time to time :—

Proviso.—Provided that the registration shall be made in the name of not more than a single person whether in his own behalf or as a partner of a partnership business or in the name of a company registered according to the provisions of law.

No. T. 196—*R. T.* 10-37-49, *dated Bangalore,* 19*th July* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 12-A of the Mysore Motor Vehicles Rules, 1924, as amended from time to time (*vide* page 48 of the Mysore Motor Manual, 1938), the draft amendment in the said behalf having already been published with Notification No. T. 3676—R. T. 10-37-38, dated 9th May 1938 at page 92, Part IV of the *Mysore Gazette*, dated 12th May 1938.

AMENDMENT.

The following shall be substituted for Rule 12-A of the Mysore Motor Vehicles Rules, 1924 :—

"Whenever the structure of a motor vehicle once registered is so altered as to increase or decrease the weight of the vehicle or alter

its carrying capacity, the registered owner or person in possession or having control of the vehicle, shall surrender the original certificate of registration to the Registering Authority and obtain a fresh number and certificate of registration for the vehicle on payment of the fee prescribed in Rule 4 of the Motor Vehicles Rules.

Note.—A Vehicle is said to be altered, among other things, when the engine or chassis is changed.

The Registering Authority shall, if he is satisfied that the owner or person in possession of or having the control of the vehicle has been delaying the registration of the vehicle under the above clause, without assigning sufficient reasons for the delay, suspend the original registration of the vehicle until the vehicle is re-registered."

By Order,

C. SUBRAHMANYA AIYAR,
Offg. *Secretary to Government,*
General Department.

No. G. 390—*P. H.* 44-37-27, *dated Bangalore, the* 14*th July* 1938.

Under Section 20 of the Mysore Prevention of Adulteration Act, IX of 1921, as amended from time to time, Government are pleased to extend to the Magadi Town Municipality the following rules issued with Notification No. G. 2463—San. 61-30-7, dated 22nd September 1931 :—

Rules under the Mysore Prevention of Adulteration Act.

1. In these rules, "Act" means the Mysore Prevention of Adulteration Act IX of 1921.

"Section" means section of the above Act.

Section 3.—

2. The officer to whom the local executive officer may delegate his powers shall be of the rank of a Health Officer or shall hold the diploma of Public Health. No legal proceedings under the Act shall be instituted without the permission in writing of the President or the Commissioner, as the case may be.

Section 20 (*b*).—

3. The area within which the local executive officer of a Municipal Council shall exercise powers shall be the Municipal limits of the place.

Section 20 (*c*).—

4. *Cleanliness of Vessels.*—All vessels, receptacles or utensils used for manufacturing or preparing food or containing any food intended for sale shall be cleansed with clean boiling water before and after use and shall be kept in a constant state of cleanliness. In case of food likely to be acted upon by the metal of the vessels, receptacles or utensils in which the food is manufactured, prepared or contained for purposes of sale, precautions shall be taken to prevent such metallic contamination.

Section 20 (*d*).—

5. *How notice of Admixture, Addition or Deficiency shall be given.*—If the vendor of any article intended for food knows that it is admixed with any foreign substance whatsoever or that any component part has been abstracted therefrom, he shall give due notice of such admixture or abstraction by means of distinct and clear labels in Kannada or in any other language likely to be read and understood by the people, affixed conspicuously on each package or receptacle containing the article. Unless the vendor of any food containing an admixture, addition or deficiency, knows of his own knowledge, that the purchaser is able to read and understand the label, he shall give the purchaser the information contained in the label by word of mouth at the time of purchase.

Section 20 (*e*).—

6. The standards of purity prescribed for milk, cream, butter and ghee are as follows:—

Milk.—

Cow's Milk.—(1) Where a sample of cow's milk (not being sold as skimmed or separated milk), contains less than three per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine, by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(2) When a sample of cow's milk or any skimmed or separated cow's milk contains less than 8·5 per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved that the milk is not genuine by reason of the addition thereto of water.

(3) When a sample of cow's milk, whether sold as cow's milk or as skimmed or separated cow's milk, contains less than 0·5 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the addition thereto of water.

Buffalo Milk.—(4) Where a sample of buffalo milk (not being sold as skimmed or separated milk), contains less than 4·5 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the milk is not genuine by reason of the abstraction therefrom of milk-fat or the addition thereto of water.

(5) Where a sample of buffalo milk, whether sold as buffalo milk, or as skimmed or separated buffalo milk, contains less than nine per cent of milk-solids other than milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

(6) Where a sample of buffalo milk, whether sold as buffalo milk or as skimmed or separated buffalo milk, contains less than 0·53 per cent of nitrogen, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of the addition thereto of water.

N. B.—The minimum limits for nitrogen prescribed above under (3) and (6) are intended to be used in those cases in which a sample of milk when it is analysed, is so far decomposed that an estimation of the proportion of milk-solids other than milk-fat in the sample before decomposition will be unreliable, the proportion of nitrogen not being appreciably affected by decomposition.

Unspecified Milk.—(7) Where a sample of milk, separated milk or skimmed milk, is sold or offered for sale or hawked about, without any indication as to whether it is derived from the cow or the buffalo and by comparison with the minimum limits given for the cow's milk in the above, it appears to be adulterated, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine for the reason given in the above rule or rules which are applicable.

Maximum limit for Dirt in Milk.—(8) Where a sample of milk, separated or skimmed milk, deposits, on standing for a period of 24 hours or less, an amount of visible sediment exceeding five parts per 100,000 (both milk and sediment being measured by volume), it shall be

presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine by reason of its containing an excessive amount of dirt.

Cream.—(9) Where a sample of cream contains less than 20 per cent of milk-fat, it shall be presumed for the purposes of this Act, until the contrary be proved, that the sample is not genuine.

Butter.—(10) Where the proportion of water in a sample of butter exceeds 20 per cent, it shall be presumed for the purposes of this Act, until the contrary be proved, that the butter is not genuine by reason of the excessive amount of water therein.

Ghee.—(11) Where the proportion of water in a sample of ghee exceeds one per cent, it shall be presumed for the purposes of this Act, until the contrary be proved that the ghee is not genuine by reason of the excessive amount of water therein.

Section 20 (*f*).—

7. (1) No person shall add water or any dried or condensed milk or any fluid reconstituted therefrom or any skimmed milk or separated milk to milk intended for sale, and no person shall, by himself or by any servant or agent, sell or offer for sale or hawk about, any milk to which any such addition has been made.

(2) No person shall abstract any ingredient from milk, without giving due notice of the same, in an unambiguous manner, of the fact of such abstraction therefrom, as prescribed in rules under Section 20 (*d*).

(3) No person either by himself or any servant or agent, shall sell or offer for sale or hawk about, as milk, any liquid in the making of which dried milk or condensed milk has been used or to which water or other diluent or adulterant has been added or from which any ingredient has been abstracted, without due notice of the same to the purchaser as prescribed in rule under Section 20 (*d*).

Section 20 (*g*).—

8. Any receptacle containing dried, condensed, skimmed or separated milk shall be labelled with an adhesive label which shall contain the information and be of the size indicated below. The information shall be in black type, printed or written in the centre of the label, which shall be of white colour. Nothing else shall be printed or written on the label, except the name of the article. The

label shall be clearly visible to the purchaser and shall measure at least 2″×4″ where only Kannada is used or at least 4″×4″ where more than one language is employed.

Section 20 (*h*).—

9. (1) Any person taking a sample of milk for the purposes of this Act may add a preservative for the purpose of retaining the sample in a condition convenient for analytical purposes.

(2) The preservative used shall be the liquid commonly known as "formalin" which is a liquid containing about 40 per cent of formaldehyde in aqueous solution.

(3) The amount of preservative added shall be approximately in proportion of one drop of formalin for every 2 oz. of the sample of milk.

(4) Each sample of milk to which formalin has been added by the person taking the sample shall bear a notification on the label to the effect that it has been "artificially preserved."

(5) For the purposes of this rule, milk includes skimmed and separated milk.

10. *Penalty for breach of Rules.*—Every manufacturer or dealer or vendor who—(*a*) disobeys, fails to comply with or acts in contravention of the provisions made under Rule 4 herein, in respect of cleanliness of vessels, receptacles or utensils used for manufacturing, preparing or containing any food intended for sale, or (*b*) neglects to affix labels to notify in the manner prescribed, the fact of the admixture of foreign ingredients in the case of adulterated articles of food or abstraction of any component part therefrom of any article of food, or (*c*) fails to give the purchaser, in cases mentioned in Rule 5, information contained in such labels by word of mouth at the time of purchase, or (*d*) manufactures, deals in or sells milk, cream, butter or ghee below the standard prescribed in Rule 6 above shall, on conviction before a magistrate, be punished with a fine not exceeding Rs. 50 and with a fine which may extend to Rs. 50 for every subsequent offence.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

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BANGALORE, THURSDAY, JULY 28, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

Order No. P. 300—*Legis.* 4-38-1, *dated Bangalore,* 14*th July* 1938.

Ordered that the accompanying Act further to amend the Mysore Limitation Act, 1911, which received the assent of His Highness the Maharaja, on the seventh day of July 1938, be published as Act XI of 1938, in the *Mysore Gazette,* for general information.

By Order,

C. SUBRAHMANYA AIYAR,

Offg. *Secretary to Government,*

General Department.

ACT XI OF 1938.

(Received the assent of His Highness the Maharaja on the Seventh day of July 1938.)

An Act further to amend the Mysore Limitation Act, 1911.

Where as it is expedient further to amend the Mysore Limitation Act, 1911; it is hereby enacted as follows:—

Short title and commencement.

1. (1) This Act may be called the Mysore Limitation (Amendment) Act, 1938.

(2) It shall come into force on the first day of October 1938.

Amendment of section 5.

2. In section 5 of the Mysore Limitation Act, 1911 (hereinafter referred to as the said Act), for the words "by any enactment or rule" the words "by or under any enactment" shall be substituted.

Amendment of section 10.

3. In section 10 of the said Act, the following paragraph shall be inserted, namely:—

"For the purposes of this section any property comprised in a Hindu, Mahomedan or Buddhist religious or charitable endowment shall be deemed to be property vested in trust for a specific purpose and the manager of any such property shall be deemed to be the trustee thereof."

Amendment of section 29.

4. For section 29 of the said Act, the following shall be substituted, namely:—

"29 (1) Nothing in this Act shall affect section 25 of the Indian Contract Act, 1872, as in force in Mysore;

(2) where any special or local law prescribes for any suit, appeal or application a period of limitation different from the period prescribed therefor by the First Schedule, the provisions of section 3 shall apply, as if such period were prescribed therefor in that schedule, and for the purpose of determining any period of limitation prescribed for any suit, appeal or application by any special or local law, and

(*a*) the provisions contained in section 4, sections 9 to 18, and section 22 shall apply only in so far as and to the extent to which, they are not expressly excluded by such special or local law; and

(*b*) the remaining provisions of this Act shall not apply."

5. In the First Division of the First Schedule to the said Act, after article 48, the following articles shall be inserted, namely:— Amendment of articles 48-A and 48-B

48-A. To recover movable property conveyed or bequeathed in trust, deposited or pawned and afterwards bought from the trustee, depository or pawnee for a valuable consideration.	Three years	When the sale becomes known to the plaintiff.
48-B. To set aside sale of movable property comprised in a Hindu, Mahomedan or Buddhist religious or charitable endowment, made by a manager thereof for a valuable consideration.	Three years	When the sale becomes known to the plaintiff.

6. To article 132 in the First Division of the First Schedule to the said Act, the following explanation shall be added, namely:— Amendment of article 132.

"*Explanation.*—Advances secured by mortgage by deposit of title deeds shall, for the purposes of this article be deemed to be money charged upon immovable property."

7. In the First Division of the First Schedule to the said Act:— Amendment of first Schedule.

(*a*) Article 133 shall be omitted.

(*b*) In article 134, in the third column, for the words "the date of the transfer" the words "when the transfer becomes known to the plaintiff" shall be substituted; and

(*c*) After article 134, the following articles shall be inserted, namely:—

134-A. To set aside a transfer of immovable property comprised in a Hindu, Mahomedan or Buddhist religious or charitable endowment made by a manager thereof for a valuable consideration.	Twelve years	When the transfer becomes known to the plaintiff.

134-B. By the manager of a Hindu, Mahomedan or Buddhist religious or charitable endowment, to recover possession of immovable property comprised in the endowment which has been transferred by a previous manager for a valuable consideration.	Twelve years	The death, resignation or removal of the transfer or
134-C. By the manager of a Hindu, Mahomedan or Buddhist religious or charitable endowment to recover possession of movable property comprised in the endowment which has been sold by a previous manager for a valuable consideration.	Twelve years	The death, resignation or removal of the seller.

Amendment of article 158.

8. In the Third Division of the First Schedule to the said Act, in article 158 in the third column, for the words "when the award is submitted to the Court," the words "when the award is filed in Court and notice of the filing has been given to the parties" shall be substituted.

Amendment of article 166.

9. In the Third Division of the First Schedule to the said Act in article 166 in the first column, the words "or fraud" shall be inserted after the word "irregularity."

Amendment of articles 176, 177 and 178.

10. In the Third Division of the First Schedule of the said Act, (a) in articles 176 and 177 in the second column for the word "ditto" appearing against each article the words "Ninety days" shall be substituted; and (*b*) in article 178 in the second column for the word "ditto" the words "six months" shall be substituted.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 286—*Legis.* 5-38-1, *dated Bangalore, the* 14*th July* 1938.

Ordered that the accompanying Act to remove all legal obstacles to the marriage of Hindu Widows which received the assent of His Highness the Maharaja, on the seventh day of July 1938, be published as Act No. XII of 1938, in the *Mysore Gazette*, for general information.

By Order,
C. SUBRAHMANYA AIYAR,
Offg. *Secretary to Government,*
General Department.

ACT XII OF 1938.

(Received the assent of His Highness the Maharaja on the Seventh day of July 1938.)

An Act to remove all legal obstacles to the marriage of Hindu Widows in the Mysore State.

Whereas the removal of all legal obstacles to the marriage of Hindu Widows in the State will tend to the promotion of public welfare and whereas it is just to hold offsprings of such marriages as legitimate; it is hereby enacted as follows;—

Short title, extent and commencement.

1. (*i*) The Act may be called "The Mysore Hindu Widows Re-marriage Act 1938."

(*ii*) It shall extend to the whole of the territories of Mysore.

(*iii*) It shall come into operation at the expiration of one month from the date of its publication in the official Gazette.

Marriage of Hindu Widows legalised.

2. Notwithstanding any custom and any interpretation of Hindu Law to the contrary, no marriage contracted between Hindus shall be invalid, and no issue of such marriage shall be illegitimate, by reason of the woman having been previously married or betrothed to another person who was dead at the time of such marriage, provided that the parties must not be related to each other in any degree of consanguinity or affinity which would under Hindu Law render a marriage illegal.

Ceremonies constituting valid marriage to have effect on Widows Re-marriage.

3. Whatever words spoken, ceremonies performed or engagements made on the marriage of a Hindu female who has not been previously married are sufficient to constitute a valid marriage, shall have the same effect if spoken, performed or made on the marriage of a Hindu widow; and no marriage shall be declared invalid on the ground that such words, ceremonies or engagements are inapplicable to the case of a widow.

Consent to re marriage of minor widow

4. If the widow re-marrying is a minor whose marriage has not been consummated, she shall not re-marry without the consent of her father, or if she has no father, of her paternal grandfather, or if she has no such grandfather, of her mother, or failing all these, of her elder brother or failing also brothers, of her next male relative.

Punishment for abetting marriage made contrary to this section.

All persons knowingly abetting a marriage made contrary to the provisions of this section shall be liable to imprisonment for any term not exceeding one year or to fine not exceeding five hundred rupees or to both.

Effect of such marriage proviso.

And all marriages made contrary to the provisions of this section may be declared void by a Court of law: Provided that, in any question regarding the validity of a marriage made contrary to the provisions of this section, such consent as is aforesaid shall be presumed until the contrary is proved, and that no such marriage shall be declared void after it has been consummated.

Consent to re-marriage of major widow.

In the case of a widow who is of full age, or whose marriage has been consummated, her own consent shall be sufficient consent to constitute her re-marriage lawful and valid.

Savings of rights of widow marrying.

5. Except as hereinafter provided, a widow shall not by reason of her re-marriage forfeit any property or any right to which she would otherwise be entitled; and every widow who has re-married shall have the same rights of inheritance as she would have had had such marriage been her first marriage.

Rights of widow in deceased husband's property to cease on her remarriage.

6. All rights and interests which any widow may have in her deceased husband's property by way of maintenance, or by inheritance to her husband or to his lineal successors, or by virtue of any will or testamentary disposition conferring upon her, without express permission to re-marry, only a limited interest in such property with no power of alienating the same, shall upon her re-marriage cease and determine as if she had then died; and the next heirs of her deceased husband, or other persons entitled to the property on her death, shall thereupon succeed to the same.

Guardian of children of deceased husband on the re-marriage of his widow.

7. On the re-marriage of a Hindu widow, if neither the widow nor any other person has been expressly constituted by the will or testamentary disposition of the deceased husband the guardian of his children, the father or paternal grandfather or the mother or paternal grandmother, of the deceased husband, or any male relative of the deceased husband, may petition the highest Court having original jurisdiction in civil cases in the place where the deceased husband was domiciled at the time of his death for the appointment of some proper person to be guardian of the said children, and thereupon it shall be lawful for the said Court, if it shall think fit, to appoint

such guardian, who when appointed shall be entitled to have the care and custody of the said children, or of any of them during their minority, in the place of their mother; and in making such appointment the Court shall be guided, so far as may be, by the laws and the rules in force touching the guardianship of children who have neither father nor mother:

Provided that, when the said children have not property of their own sufficient for their support and proper education whilst minors, no such appointment shall be made otherwise than with the consent of the mother unless the proposed guardian shall have given security for the support and proper education of the children whilst minors.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 310—*Legis.* 6-38-1—*dated Bangalore, the* 15*th July* 1938.

Ordered that the accompanying Act further to amend the Code of Civil Procedure which received the assent of His Highness the Maharaja, on the eighth day of July 1938, be published as Act No. XIII of 1938, in the *Mysore Gazette*, for general information.

By Order,
C. SUBRAHMANYA AIYAR,
Offg. *Secretary to Government, General Department.*

ACT No. XIII OF 1938.

(*Received the assent of His Highness the Maharaja on the Eighth day of July 1938.*)

An Act further to amend the Code of Civil Procedure, 1911 for certain purposes.

Whereas it is expedient further to amend the Code of Civil Procedure, 1911, for the purposes hereinafter appearing; it is hereby enacted as follows:—

1. This Act may be called the Code of Civil Procedure (Amendment) Act, 1938. Short title.

Amendment of section 60, Act III of 1911.

2. In the proviso to sub-section (1) of section 60 of the Code of Civil Procedure, 1911.—

(*a*) for clauses (*h*) and (*i*), the following clauses shall be substituted, namely :—

"(*h*) the wages of labourers and domestic servants, whether payable in money or in kind; and salary, to the extent of the first fifty rupees and one-half the remainder of such salary;

(*i*) the salary of any public officer or of any servant of a railway company or local authority to the extent of the first fifty rupees and one half the remainder of such salary :

Provided that, where the whole or any part of the portion of such salary liable to attachment has been under attachment, whether continuously or intermittently for a total period of twenty-four months, such portion shall be exempt from attachment until the expiry of a further period of twelve months and where such attachment has been made in execution of one and the same decree, shall be finally exempt from attachment in execution of that decree ;"

(*b*) for clause (*k*), the following clause shall be substituted, namely :—

(*k*) any allowance forming part of the emoluments of any public officer or of any servant of a railway company or local authority which the Government may by notification in the Official Gazette declare to be exempt from attachment, and any subsistence grant or allowance made to any such officer or servant while under suspension."

(*c*) The *Explanation* at the end shall be renumbered as *Explanation* 1 and to the *Explanation* so renumbered the following words shall be added, namely :—

"and in the case of salary other than salary of a public officer or a servant of a railway company or local authority the attachable portion thereof is exempt from attachment until it is actually payable," and

(*d*) after the *Explanation* as so renumbered the following *Explanation* shall be added, namely:—

"*Explanation* 2.—In clauses (*h*) and (*i*), 'salary' means the total monthly emoluments, excluding any allowance declared exempt from attachment under the provisions of clause (*k*) derived by a person from his employment whether on duty or on leave."

3. The amendments made by section 2 shall not have effect in respect of any proceedings arising out of any suit instituted before the first day of July ninteen hundred and thirty-eight. **Retrospective effect.**

MIRZA M. ISMAIL,
Dewan.

Order No. P. 311—*Legis.* 7-38-1, *dated Bangalore, 15th July* 1938.

Ordered that the accompanying Act further to amend the Mysore Village Panchayet Act which received the assent of His Highness the Maharaja, on the eighth day of July 1938, be published as Act No. XIV of 1938 in the *Mysore Gazette*, for general information.

By Order,
C. SUBRAHMANYA AIYAR,
Offg. *Secretary to Government,*
General Department.

ACT No. XIV OF 1938.

(*Received the assent of His Highness the Maharaja on the Eighth day of July 1938.*)

An Act further to amend the Mysore Village Panchayet Act, 1926.

Whereas it is expedient further to amend the Mysore Village Panchayet Act, 1926; it is hereby enacted as follows:—

1. This Act may be called the Mysore Village Panchayet (Amendment) Act, 1938.

2. For Section 36, the following section shall be substituted :—

"36. (1) In every Panchayet, the Amildar shall assess and recover in the manner prescribed, a tax on all houses, shops or places of trade or business, vacant sites, hittals, and carts in the village or villages within its jurisdiction.

(2) The rates of such taxes shall be determined by the Panchayet and shall not exceed the maxima that may be prescribed.

(3) It shall be competent to the Amildar to make provision for exemptions in favour of individuals or a class of individuals, subject to such rules as may be prescribed in this behalf."

3. To section 37, the following sub-clause shall be added :

"(3) The Amildar shall assess and recover any such tax, cess, rate or fee."

4. For section 40, the following section shall be substituted :—

"40 (1) The amount of taxes, fees or other dues shall be paid in such manner as may be prescribed and, in case of default of such payment, shall be recovered by the Amildar as an arrear of land revenue.

(2) Nothing herein contained shall preclude the institution by the Amildar of a suit for any amount due under this Act.

(3) No proceedings shall be taken under sub-section (1) more than six years after the amount became due."

MIRZA M. ISMAIL,
Dewan.

No. T. 213—*R. T.* 38-36-34, *dated Bangalore,*
20*th July* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act 1928, the Government of His Highness the Maharaja of Mysore are pleased to issue the following rule to the Mysore Motor Vehicles Rules 1924, as amended from time to time, the draft in the said behalf having already been published with

Notification No. T. 144—R. T. 38-36-21, dated 13th July 1937, at page 144 of part IV of the *Mysore Gazette*, dated 15th July 1937.

RULE.

After the Rule 39-A of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the following rule shall be added :—

39-B. *Weighment of Over-loaded Motor Lorries.*—The Registering Authority or a Police Officer not below the rank of a Sub-Inspector of Police, may, if he has reasonable grounds to suspect that any motor lorry, whether a private lorry or one plying for hire has exceeded the maximum weight which it is permitted to carry, may direct the driver of the said vehicle to drive it to a weigh bridge or other weighing apparatus for the purpose of ascertaining the load and the driver shall forthwith comply with such order.

No. T. 225—R. T. 16-36-7, dated Bangalore, 20th July 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja of Mysore are pleased to direct that para 2 of the Notification No. P. 6902—Legis. 46-35, dated 17th July 1936 shall be amended as follows :—

AMENDMENT.

Substitute the words "issued by the Civil and Military Station authorities" for the words "indicating payment of taxes in the Civil and Military Station," occurring in para 2 of the said notification. The paragraph after the amendment will read as follows :—

"2. They are further pleased to direct that in the case of the vehicles specified, the licenses or tokens issued by the Civil and Military Station authorities shall be deemed to be sufficient to indicate exemption and that these vehicles shall not be required to exhibit the licenses of Mysore in the area in which they are thus exempted."

By Order,
C. SUBRAHMANYA AIYAR,
Offg. *Secretary to Government,*
General Department.

No. T. 244—*R. T.* 5-38-1, *dated Bangalore,*
20*th July* 1938.

The Government of His Highness the Maharaja are pleased to direct that the Mysore Highway Act 1920 and the rules issued under the said Act, shall come into force in the area administered by the Kolar Gold Fields Sanitary Board from 12th August 1938.

No. E. 257—*Edn.* 98-37-36, *dated Bangalore,*
21*st July* 1938.

The following sentence will be added to Rule 22 of the rules relating to the constitution of and election of members to the School Board issued with Government Notification No. E. 185—Edn. 72-30-8, dated 14th February 1931 :—

> "In the case of a casual vacancy, the result of election shall be published in the Gazette by the Director of Public Instruction."

No. T. 292—*R. T.* 9-37-41, *dated Bangalore,*
21*st July* 1938.

In exercise of the powers conferred on them by Section 22 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to exempt from payment of tolls under the said Act and also all tolls under the Municipal Acts the following Motor Vehicles belonging to the Rajkumar of Keonjhar State.

No. Keonjhar 161.
No. Keonjhar 153.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 650—Pol. 24-38-2, dated Bangalore, 28—30th July 1938.

The Government of His Highness the Maharaja are pleased to extend the provisions of Section 56 of the Police Act, V of 1908, as amended from time to time, to Bommagondanakere, Molakalmuru Taluk.

No. R. 482—L. R. 450-37-3, dated Bangalore, 29th July 1938.

Under the powers vested in them by Section 233 of the Land Revenue Code and in pursuance of the orders issued in Government Order No. R. 473-81—L. R. 450-37-2, dated 29th July 1938, the Government are pleased to direct that the note under clause 7 to Rule 43 of the rules under the Land Revenue Code substituted by Notification No. R. 4609—L. R. 98-35-63 dated 31st January 1936, be revised as follows :—

Insert a 'Comma' after the word 'Mochi,' omit the word 'and' after 'Mochi,' and insert the words 'and

Dombar' between 'Iruliga' and 'Communities.' The note will, after amendment, read as follows:—

"Depressed classes in the above paras include Adikarnatakas, Adidravidas, Banajaras, Voddars, Korachars, Koramars, Hill Tribes, Animists and members of the Pishari, Mochi, Iruliga and Dombar communities."

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

Order No. P. 460—Legis. 8-38-1, dated Bangalore, the 21st July 1938.

Ordered that the accompanying Act for the removal of religious and caste disabilities which received the assent of His Highness the Maharaja be published as Act No. XV of 1938 in the *Mysore Gazette* for general information.

M. VENKATESA IYENGAR,
General Secretary to Government.

ACT No. XV OF 1938.

(Received the assent of His Highness the Maharaja on the thirteenth day of July 1938.)

An Act for the removal of disabilities arising from change of religion or deprivation of caste.

Whereas it is expedient to remove certain disabilities arising from change of religion or deprivation of caste; It is hereby enacted as follows:—

Short title extent and commencement.

1. (i) This Act may be called the Act for the removal of religious and caste disabilities.

(ii) It extends to the whole of Mysore.

(iii) It shall come into force at once.

No convert to be divested of vested interest.

2. No person and no heir or representative of such person shall, merely by reason of his having renounced or being excluded from any religion or of his being deprived of caste:

(i) be divested of any vested interest to or in property;

(ii) be deprived of any right of inheritance or personal right;

Provided that no person and no heir or representative of such person shall by reason of this enactment be entitled to retain or acquire any property or right or to exercise any right peculiar or appropriate only to the religion which he has renounced or from which he has been excluded, or peculiar or appropriate only to the caste of which he has been deprived.

Illustrations.

(*a*) A is a trustee for an endowment of his religion. Out of that endowment he is entitled to provide for his own residence and maintenance. On being converted to another religion, he will cease to retain his interest in the endowment.

(*b*) A, a Hindu with vested interest in joint family property, is converted to Christianity. He will, on conversion, retain his interest in that property, but without the incidents peculiar or appropriate only to members of a joint Hindu family.

(*c*) A, a Hindu, dies intestate, leaving him surviving a legitimate son B, a converted Christian. B will succeed A as heir, not by survivorship as a Hindu co-parcener.

(*d*) A, a Hindu, dies leaving him surviving a legitimate son B, a converted Christian. A, before his death, has disposed of his property by a valid will. A's property will follow the dispositions of that will.

(*e*) A, a Mussalman, with four legally married wives, is converted to Christianity. A, after his conversion will not be able to divorce them by ceremonies under the Mahomedan Law.

(*f*) A, a Hindu with Hindu sons, becomes a Mussalman. After conversion, he will not be able to exercise the right of a Hindu father to give one of his Hindu sons in adoption to a Hindu.

(*g*) A Hindu voluntarily renounces the world and becomes a *sanyasi*. He will not be affected by this Act.

3. No person and no heir or representative of such person shall, by reason merely of another person having renounced or being excluded from any religion or being deprived of caste,

Person's right to property not to be affected by another's conversion.

(i) be divested or deprived of any property, right of inheritance or personal right which he would have held had such other person remained in that religion or caste;

(ii) be forced to any act or to suffer any act inconsistent with or not appropriate to his own religion or caste.

Explanation.—The religion or caste of any person shall be presumed to be that in which he was born. A Court shall, till the contrary is shown, presume that it is for the advantage of a minor to remain in the religion or caste in which he was born.

Illustrations.

(*a*) A and B are Hindu full brothers and C their half brother. A becomes a Christian. B's right of inheritance to A will not be affected by C becoming a Christian.

(*b*) A, a Hindu, having a share and a right to live in the joint family house, becomes a Christian. He cannot contrary to the will of the Hindu members of the family, enforce his right to live himself in the joint family house.

(*c*) A, a Christian man, has a Christian wife B. A becomes a Mussalman and marries a second wife by ceremonies under the Mahomedan Law. A will remain liable for the maintenance of B, and B will retain her right to divorce him, if she chooses, according to the law applicable to Christians. But A cannot enforce against her any conjugal rights, nor divorce her, except, for reasons and in the manner allowed by the law applicable to Christians.

(*d*) A, a Christian man, with minor Christian children, becomes a Mussalman. He will remain liable for their maintenance. But he cannot enforce against them any right of guardianship inconsistent with their religion, such as circumcising his minor sons or giving his minor daughters in marriage to Mussalmans with ceremonies which subject them to Mahomedan Law.

(*e*) A, son of B, a Hindu, becomes a Christian, and is consequently deprived of caste. B will have the same right of adoption as he would have had if A had become an out-caste or disqualified son while remaining a Hindu; but the adoption, if made, will not operate to deprive A of property or rights to which A is entitled under section 2 of this Act.

(*f*) A, son of B, a Hindu, becomes a Christian. After the conversion of A, another son C is born to B. C will have the same rights in respect of ancestral property as he would have had if A had remained a Hindu; but the birth of C will not otherwise affect the rights of A under section 2 of this Act.

MIRZA M. ISMAIL,
Dewan.

Order No. P. 454—*Legis.* 9-38-1, *dated Bangalore, 20th July* 1938.

Ordered that the accompanying Acts to amend the Transfer of Property Act and to supplement that Act which received the assent of His Highness the Maharaja, on the thirteenth day of July 1938, be published as Acts No. XVI and No. XVII of 1938, in the *Mysore Gazette*, for general information.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

ACT No. XVI OF 1938.

(*Received the assent of His Highness the Maharaja on the thirteenth day of July* 1938.)

An Act to amend the Transfer of Property Act for certain purposes.

Whereas it is expedient to amend the Transfer of Property Act, 1918, for the purposes hereinafter appearing; it is hereby enacted as follows:—

1. (1) This Act may be called the Transfer of Property (Amendment) Act, 1938. Short title and commencement.

(2) It shall come into force on the first day of January 1939.

2. In section 3 of the Transfer of Property Act (hereinafter referred to as the said Act), for the last Amendment of section 3.

paragraph containing the definition of "notice," the following shall be substituted, namely :—

"a person is said to have notice" of a fact when he actually knows that fact, or when, but for wilful abstention from an enquiry or search which he ought to have made, or gross negligence, he would have known it.

Explanation I.—Where any transaction relating to immovable property is required by law to be and has been effected by a registered instrument, any person acquiring such property or any part of or share or interest in, such property shall be deemed to have notice of such instrument as from the date of registration or, if the instrument has been registered under sub-section (2) of section 30 of the Mysore Registration Act, 1903, from the earliest date on which a memorandum thereof has been filed by any Sub-Registrar under section 66 of that Act :

Provided that—

(1) the instrument has been registered and its registration completed in the manner prescribed by the Mysore Registration Act, 1903, and the rules made thereunder,

(2) the instrument has been duly entered or filed, as the case may be, in the books kept under section 51 of that Act, and

(3) the particulars regarding the transaction to which the instrument relates have been correctly entered in the indexes kept under section 55 of that Act.

Explanation II.—Any person acquiring any immovable property or any share or interest in any such property shall be deemed to have notice of the title, if any, of any person who is for the time being in actual possession thereof.

Explanation III.—A person shall be deemed to have had notice of any fact if his agent acquires notice thereof whilst acting on his behalf in the course of business to which that fact is material :

Provided that, if the agent fraudulently conceals the fact, the principal shall not be charged with notice thereof as against any person who was a party to or otherwise cognizant of the fraud."

Amendment of section 5.

3. In section 5 of the said Act, after the words "or to himself" the words "or to himself" shall be inserted; and to the same section the following paragraph shall be added, namely :

"In this section 'living person' includes a company or association or body of individuals, whether incorporated or not, but nothing herein contained shall affect any law for the time being in force relating to transfer of property to or by companies, associations or bodies of individuals."

Amendment of section 6.

4. In section 6 of the said Act, after clause (*d*) the following clause shall be inserted, namely :—

"(dd) A right to future maintenance, in whatsoever manner arising, secured for determined, cannot be transferred."

Amendment of section 11.

5. For the second paragraph of section 11 of the said Act, beginning with the words "Nothing in this section" and ending with the words "in a particular manner" the following shall be substituted, namely :—

"Where any such direction has been made in respect of one piece of immovable property for the purpose of securing the beneficial enjoyment of another piece of such property, nothing in this section shall be deemed to affect any right which the transferor may have to enforce such direction or any remedy which he may have in respect of a breach thereof."

Amendment of section 15.

6. In section 15 of the said Act, for the words "as regards the whole class," the following words shall be substituted, namely :—

"in regard to those persons only and not in regard to the whole class."

Substitution of new sections for sections 16, 17 and 18.

7. For sections 16, 17 and 18 of the said Act, the following sections shall be substituted, namely :—

Transfer to take effect on failure of prior interest.

"16. Where by reason of any of the rules contained in sections 13 and 14, an interest created for the benefit of a person or of a class of persons fails in regard to such person or the whole of such class, any interest created in the same transaction and intended to take effect after or upon failure of such prior interest also fails.

Direction for accumulation.

"17. (1) Where the terms of a transfer of property direct that the income arising from the property shall be accumulated either wholly or in part during a period longer than—

(*a*) the life of the transferor, or

(*b*) a period of eighteen years from the date of the transfer,

such direction shall, save as hereinafter provided, be void to the extent to which the period during which the accumulation is directed exceeds the longer of the aforesaid periods, and at the end of such last-mentioned period the property and the income thereof shall be disposed of as if the period during which the accumulation has been directed to be made had elapsed.

(2) This section shall not affect any direction for accumulation for the purpose of—

(i) the payment of the debts of the transferor or any other person taking any interest under the transfer, or

(ii) the provision of portions for children or remoter issue of the transferor or of any other person taking any interest under the transfer, or

(iii) the preservation or maintenance of the property transferred;

and such direction may be made accordingly.

Transfer in perpetuity for benefit of public.

"18. The restrictions in sections 14, 16 and 17 shall not apply in the case of a transfer of property for the benefit of the public in the advancement of religion, knowledge, commerce, health, safety, or any other object beneficial to mankind."

Amendment of section 39.

8. In section 39 of the said Act—

(*a*) the words "with the intention of defeating such right" shall be omitted, and for the words "of such intention" the word "thereof" shall be substituted; and

(*b*) the *illustration* shall be omitted.

Amendment of section 40.

9. In section 40 of the said Act for the words "of the latter property or to compel its enjoyment in a particular manner," the words "in a particular manner of the latter property" shall be substituted.

Amendment of section 43.

10. In section 43 of the said Act, after the word "person" the words "fraudulently or" shall be inserted.

Amendment of section 52.

11. (1) In section 52 of the said Act—

(*a*) for the words "active prosecution" the word "pendency" shall be substituted;

(*b*) for the words "a contentious" the word "any" shall be substituted; and

(*c*) after the words "suit or proceeding," where they occur for the first time, the words "which is not collusive and" shall be inserted.

(2) To the same section the following *Explanation* shall be added, namely:—

"*Explanation.*—For the purposes of this section, the pendency of a suit or proceeding shall be deemed to commence from the date of the presentation of the plaint or the institution of the proceeding in a Court of competent jurisdiction, and to continue until the suit or proceeding has been disposed of by a final decree or order and complete satisfaction or discharge of such decree or order has been obtained, or has become unobtainable by reason of the expiration of any period of limitation prescribed for the execution thereof by any law for the time being in force."

Substitution of new section for section 53. Fraudulent transfer.

12. For section 53 of the said Act, the following section shall be substituted, namely:—

"53. (1) Every transfer of immovable property made with intent to defeat or delay the creditors of the transferor shall be voidable at the option of any creditor so defeated or delayed.

Nothing in this sub-section shall impair the rights of a transferee in good faith and for consideration.

Nothing in this sub-section shall affect any law for the time being in force relating to insolvency.

A suit instituted by a creditor (which term includes a decree-holder whether he has or has not applied for execution of his decree) to avoid a transfer on the ground that it has been made with intent to defeat or delay the creditors of the transferor, shall be instituted on behalf of, or for the benefit of, all the creditors.

(2) Every transfer of immovable property made without consideration with intent to defraud a subsequent transferee shall be voidable at the option of such transferee.

For the purposes of this sub-section, no transfer made without consideration shall be deemed to have been made with intent to defraud by reason only that a subsequent transfer for consideration was made."

Insertion of new section 53-A.

13. After section 53 of the said Act, the following section shall be inserted, namely:—

Part performance.

"53-A. Where any person contracts to transfer for consideration any immovable property by writing signed by him or on his behalf from which the terms necessary to constitute the transfer can be ascertained with reasonable certainty,

and the transferee has, in part performance of the contract, taken possession of the property or any part thereof, or the transferee being already in possession, continues in possession in part performance of the contract and has done some act in furtherance of the contract,

and the transferee has performed or is willing to perform his part of the contract,

then, notwithstanding that the contract, though required to be registered, has not been registered, or, where there is an instrument of transfer, that the transfer has not been completed in the manner prescribed therefor by the law for the time being in force, the transferor or any person claiming under him shall be debarred from enforcing against the transferee and persons claiming under him any right in respect of the property of which the transferee has taken or continued in possession, other than a right expressly provided by the terms of the contract:

Provided that nothing in this section shall affect the rights of a transferee for consideration who has no notice of the contract or of the part performance thereof."

Amendment of section 55.

14. In section 55 of the said Act—

(*a*) in sub-clause (a) of clause (1), after the word "property" the words "or in the seller's title thereto" shall be inserted;

(*b*) in sub-clause (b) of clause (4), after the word "buyer," where it occurs for the second time, the words "any transferee without consideration or any transferee with notice of the non-payment," shall be inserted; and after the words "on such amount or part" the words "from the date on which possession has been delivered" shall be added; and

(*c*) in sub-clause (b) of clause (6), the words "with notice of the payment" shall be omitted.

Substitution of new section for section 56.

15. For section 56 of the said Act, the following shall be substituted, namely:—

Marshalling by subsequent purchaser.

"56. If the owner of two or more properties mortgages them to one person and then sells one or more of the properties to another person, the buyer is, in the absence of a contract to the contrary, entitled to have the mortgage-debt satisfied out of the property or properties not sold to him, so far as the same will extend, but not so as to prejudice the rights of the mortgagee or persons

claiming under him or of any other person who has for consideration acquired an interest in any of the properties."

16. In section 58 of the said Act, (*a*) to clause (c) the following proviso shall be added, namely :— Amendment of section 58.

"Provided that no such transaction shall be deemed to be a mortgage, unless the condition is embodied in the document which effects or purports to effect the sale;"

(*b*) in clause (d)—

(i) after the words "Where the mortgagor delivers possession" the words "or expressly or by implication binds himself to deliver possession" shall be inserted;

(ii) for the words "and to appropriate them" the words "or any part of such rents and profits and to appropriate the same" shall be substituted; and

(iii) after the words "or partly in lieu of interest," for the word "and" the word "or" shall be substituted; and

(*c*) after clause (e) the following clauses shall be added, namely :—

"(*f*) The transaction is called a mortgage by deposit of title-deeds where a person, in any area to which this provision may be extended by the Government by notification in the official Gazette, delivers to a Bank or its authorized agent documents of title relating to immovable property with intent to create a security thereon and accompanied by a memorandum in writing signed by the debtor specifying such property and the amount of credit given or agreed to be given by the Bank on the security of such property, provided that a copy of such memorandum under the seal of the Bank and the signature of its authorized agent is delivered or transmitted by registered post within ten days of the delivery to the Bank as aforesaid of the memorandum, to every registering officer within whose district or sub-district the whole or any portion of such property is situated, or where a special registering officer is appointed or designated by Government in this behalf, to such registering officer, and such registering Mortgage by deposit of title-deeds.

officer shall thereupon file the copy in his Book No. 1.

"*Explanation.*—'Bank' in this clause means an association or company formed principally for the purpose of engaging on the business of banking and registered under the provisions of the law relating to Companies for the time being in force in Mysore, or in the United Kingdom or in any of the Colonies or Dependencies thereof, or in British India or in any other Indian States which may be notified by the Government in the official Gazette in this behalf or incorporated by an Act of Parliament or of the Central Legislature or of a Provincial Legislature in India or by Royal Charter or Letters-Patent."

Anomalous mortgage.

"(*g*) A mortgage which is not a simple mortgage, a mortgage by conditional sale, an usufructuary mortgage, an English mortgage or a mortgage by deposit of title-deeds within the meaning of this section is called an anomalous mortgage."

Amendment of section 59.

17. In section 59 of the said Act—

(*a*) after the words "a mortgage" the words "other than a mortgage by deposit of title-deeds" shall be inserted and

(*b*) the second paragraph and the *Explanation* shall be omitted.

Insertion of new section 59-A.

References to mortgagors and mortgagees to include persons deriving title from them.

18. After section 59 of the said Act, the following section shall be inserted, namely:—

"59-A. Unless otherwise expressly provided, reference in this Chapter to mortgagors and mortgagees shall be deemed to include references to persons deriving title from them respectively."

Amendment of section 60.

19. In section 60 of the said Act,

(*a*) for the word "payable" the word "due" shall be substituted;

(*b*) for the words "the mortgage-deed, if any, to the mortgagor" the following words shall be substituted, namely:—

"to the mortgagor the mortgage-deed and all documents relating to the morgaged property which are in the possession or power of the mortgagee;"

(*c*) for the word "order" the word "decree" shall be substituted; and

(*d*) after the words "remaining due on the mortgage, except" the word "only" shall be inserted.

20. After section 60 of the said Act, the following sections shall be inserted, namely :— Insertion of new sections 60-A and 60-B.

"60-A. (1) Where a mortgagor is entitled to redemption, then, on the fulfilment of any conditions on the fulfilment of which he would be entitled to require a re-transfer, he may require the mortgagee, instead of re-transferring the property, to assign the mortgage-debt and transfer the mortgaged property to such third person as the mortgagor may direct; and the mortgagee shall be bound to assign and transfer accordingly. Obligation to transfer to third party instead of re-transference to mortgagor.

(2) The rights conferred by this section belong to and may be enforced by the mortgagor or by any encumbrancer notwithstanding an intermediate encumbrance; but the requisition of any encumbrancer shall prevail over a requisition of the mortgagor and, as between encumbrancers, the requisition of a prior encumbrancer shall prevail over that of a subsequent encumbrancer.

(3) The provisions of this section do not apply in the case of a mortgagee who is or has been in possession.

60-B. A mortgagor, as long as his right of redemption subsists, shall be entitled at all reasonable times, at his request and at his own cost, and on payment of the mortgagee's costs and expenses in this behalf, to inspect and make copies or abstracts of, or extracts from, documents of title relating to the mortgaged property which are in the custody or power of the mortgagee." Right to inspection and production of documents.

21. For section 61 of the said Act the following section shall be substituted, namely :— Substitution of new section for section 61.

"61. A mortgagor who has executed two or more mortgages in favour of the same mortgagee shall, in the absence of a contract to the contrary when the principal money of any two or more of the mortgages has become due, be entitled to redeem any one such mortgage separately, or any two or more of such mortgages together." Right to redeem separately or simultaneously.

22. In section 62 of the said Act—

(*a*) after the word "property," where it first occurs, the words "together with the mortgage deed and all documents relating to the mortgaged property which are in the possession or power of the mortgagee" shall be inserted; Amendment of section 62.

(*b*) for the words "the interest of the principal money" the words "or any part thereof a part only of the mortgage money," shall be substituted; and

(*c*) for the words "the principal money" where they occur for the second time, the words "the mortgage-money or the balance thereof" shall be substituted.

Amendment of section 63.

23. In section 63 of the said Act for the words "at the same rate of interest" the words "with interest at the same rate as is payable on the principal, or, where no such rate is fixed at the rate of nine per cent per annum" shall be substituted.

Insertion of new section 63-A.

Improvements to mortgaged property.

24. After section 63 of the said Act, the following section shall be inserted, namely:—

"63-A. (1) Where mortgaged property in possession of the mortgagee has, during the continuance of the mortgage, been improved, the mortgagor, upon redemption, shall, in the absence of a contract to the contrary, be entitled to the improvement; and the mortgagor shall not, save only in cases provided for in sub-section (2), be liable to pay the cost thereof.

(2) Where any such improvement was effected at the cost of the mortgagee and was necessary to preserve the property from destruction or deterioration or was necessary to prevent the security from becoming insufficient, or was made in compliance with the lawful order of any public servant or public authority, the mortgagor shall, in the absence of a contract to the contrary, be liable to pay the proper cost thereof as an addition to the principal money with interest at the same rate as is payable on the principal, or where no such rate is fixed, at the rate of nine per cent per annum, and the profits, if any, accruing by reason of the improvement shall be credited to the mortgagor.

(3) Notwithstanding anything in sub-section (1) a mortgagee may remove at any time whilst he is in possession of the property mortgaged, but not afterwards, all things which he has attached to the earth, provided he leaves the property in the state in which he received it."

Amendment of section 64.

25. In section 64 of the said Act, the words "for a term of years" shall be omitted.

Amendment of section 65.

26. In section 65 of the said Act.—

(*a*) in clause (d), the words "for a term of years" shall be omitted; and

(*b*) the words "Nothing in clause (c), or in clause (d), so far as it relates to the payment of future rent, applies in the case of an usufructuary mortgage" shall be omitted.

Insertion of new section 65-A.

27. After section 65 of the said Act, the following section shall be inserted, namely :—

Mortgagor's power to lease.

"65-A. (1) Subject to the provisions of sub-section (2), a mortgagor, while lawfully in possession of the mortgaged property, shall have power to make leases thereof which shall be binding on the mortgagee.

(2) (*a*) Every such lease shall be such as would be made in the ordinary course of management of the property concerned, and in accordance with any local law, custom or usage.

(*b*) Every such lease shall reserve the best rent that can reasonably be obtained, and no premium shall be paid or promised and no rent shall be payable in advance.

(*c*) No such lease shall contain a covenant for renewal.

(*d*) Every such lease shall take effect from a date not later than six months from the date on which it is made.

(*e*) In the case of a lease of buildings, whether leased with or without the land on which they stand, the duration of the lease shall in no case exceed three years and the lease shall contain a covenant for payment of the rent and a condition of re-entry on the rent not being paid within a time therein specified.

(3) The provisions of sub-section (1) apply only if and as far as a contrary intention is not expressed in the mortgage-deed; and the provisions of sub-section (2) may be varied or extended by the mortgage-deed, and as so varied and extended, shall, as far as may be, operate in like manner and with all like incidents, effects and consequences, as if such variations or extensions were contained in that sub-section."

Amendment of section 67.

28. In section 67 of the said Act—

(*a*) for the word "payable" the word "due" shall be substituted;

(*b*) for the words "an order," wherever they occur, the words "a decree" shall be substituted; and

(*c*) In clause (*a*) for the words "a simple mortgage as such" the following words shall be substituted, *viz.*, "any mortgagee, other than a mortgagee by conditional

sale or a mortgagee under an anomalous mortgage by the terms of which he is entitled to foreclose."

Insertion of new section 67-A.

29. After section 67 of the said Act, the following section shall be inserted, namely :—

Mortgagee when bound to bring one suit on several mortgages.

"67-A. A mortgagee who holds two or more mortgages executed by the same mortgagor in respect of each of which he has a right to obtain the same kind of decree under section 67, and who sues to obtain such decree on any one of the mortgages, shall, in the absence of a contract to the contrary, be bound to sue on all the mortgages in respect of which the mortgage money has become due."

Substitution of new section for section 68.

30. For section 68 of the said Act, the following section shall be substituted, namely :—

Right to sue for mortgage money.

"68. (1) The mortgagee has a right to sue for the mortgage money in the following cases and no others, namely ;—

(*a*) where the mortgagor binds himself to repay the same ;

(*b*) where, by any cause other than the wrongful act or default of the mortgagor or mortgagee, the mortgaged property is wholly or partially destroyed or the security is rendered insufficient within the meaning of section 66, and the mortgagee has given the mortgagor a reasonable opportunity of providing further security enough to render the whole security sufficient, and the mortgagor has failed to do so ;

(*c*) where the mortgagee is deprived of the whole or part of his security by or in consequence of the wrongful act or default of the mortgagor ;

(*d*) where the mortgagee being entitled to possession of the mortgaged property, the mortgagor fails to deliver the same to him, or to secure the possession thereof to him without disturbance by the mortgagor or any person claiming under a title superior to that of the mortgagor:

Provided that, in the case referred to in clause (*a*), a transferee from the mortgagor or from his legal representative shall not be liable to be sued for the mortgage money.

(2) Where a suit is brought under clause (*a*) or clause (*b*) of sub-section (1), the Court may, at its discre-

tion, stay the suit and all proceedings therein, notwithstanding any contract to the contrary, until the mortgagee has exhausted all his available remedies against the mortgaged property or what remains of it, unless the mortgagee abandons his security and, if necessary, re-transfers the mortgaged property."

Amendment of section 71.

31. In section 71 of the said Act, the words "for a term of years" shall be omitted.

Amendment of section 72.

32. In section 72 of the said Act:—

(*a*) for the words "When, during the continuance of the mortgage, the mortgagee takes possession of the mortgaged property, he" the words "A mortgagee" shall be substituted.

(*b*) clause (*a*) shall be omitted;

(*c*) in clause (*b*), for the words "its preservation" the words "the preservation of the mortgaged property" shall be substituted;

(*d*) after the words "nine per cent per annum," the following Proviso shall be inserted, namely:—

"Provided that the expenditure of money by the mortgagee under clause (*b*) or clause (*c*) shall not be deemed to be necessary unless the mortgagor has been called upon and has failed to take proper and timely steps to preserve the property or to support the title." and

(*e*) for the words, "a charge on the mortgaged property, in addition to the principal money, with the same priority and with interest at the same rate" the following shall be substituted, namely:—

"added to the principal money with interest at the same rate as is payable on the principal money, or where no such rate is fixed, at the rate of nine per cent per annum."

Substitution of new section for section 73.

33. For section 73 of the said Act, the following section shall be substituted, namely:—

Right to proceeds of revenue sale or compensation on acquisition.

"73. (1) Where the mortgaged property or any part thereof or any interest therein is sold owing to failure to pay arrears of revenue or other charges of a public nature or rent due in respect of such property, and such failure did not arise from any default of the mortgagee, the mortgagee shall be entitled to claim payment of the mortgage-money, in whole or in part, out of any surplus

of the sale proceeds remaining after payment of the arrears and of all charges and deductions directed by law.

(2) Where the mortgaged property or any part thereof or any interest therein is acquired under the Land Acquisition Act, 1894, or any other enactment for the time being in force, providing for the compulsory acquisition of immovable property, the mortgagee shall be entitled to claim payment of the mortgage-money, in whole or in part, out of the amount due to the mortgagor as compensation.

(3) Such claims shall prevail against all other claims except those of prior encumbrances, and may be enforced notwithstanding that the principal money on the mortgage has not become due."

Omission of sections 74 and 75.

34. Section 74 and section 75 of the Act shall be omitted.

Amendment of section 76.

35. In section 76 of the said Act :—

(*a*) in clause (*c*), after the words "charges of a public nature" the words "and all rent" shall be inserted;

(*b*) in clause (*h*), after the words "deducting the expenses" the words "properly incurred for the management of the property and the collection of rents and profits and the other expenses" shall be inserted, and the words "on the principal-money" shall be omitted; and

(*c*) in clause (*i*), the word "gross" shall be omitted;

Omission of section 80.

36. Section 80 of the said Act shall be omitted.

Substitution of new section for section 81.

37. For sub-section (1) of section 81 of the said Act, the following section shall be substituted, namely :—

Marshalling securities.

"81. (1) If the owner of two or more properties mortgages them to one person and then mortgages one or more of the properties to another person, the subsequent mortgagee is, in the absence of contract to the contrary, entitled to have the prior mortgage-debt satisfied out of the property or properties not mortgaged to him, so far as the same will extend, but not so as to prejudice the rights of the prior mortgagee or of any other person who has for consideration acquired an interest in any of the properties."

Amendment of section 82.

38. In section 82 of the said Act :—

(*a*) for the first paragraph beginning with the words

"Where several properties," and ending with the words "date of the mortgage" the following shall be substituted, namely :—

"Where property subject to a mortgage belongs to two or more persons having distinct and separate rights of ownership therein, the different shares in or parts of such property owned by such persons are, in the absence of a contract to the contrary, liable to contribute ratably to the debt secured by the mortgage, and, for the purpose of determining the rate at which each such share or part shall contribute, the value thereof shall be deemed to be its value at the date of the mortgage after deduction of the amount of any other mortgage or charge to which it may have been subject on that date" and

(*b*) in the third paragraph, for the word "second" the word "subsequent" shall be substituted.

Amendment of section 83.

39. In section 83 of the said Act :—

(*a*) for the words "has become payable" the words "payable in respect of any mortgage has become due" shall be substituted;

(*b*) for the words "if then in his possession or power" the words "and all documents in his possession or power relating to the mortgaged property" shall be substituted;

(*c*) after the word "mortgage-deed," where it occurs for the second time, the words "and all such other documents" shall be inserted; and

(*d*) the following paragraph shall be added after the words "such other person as aforesaid," namely :—

"Where the mortgagee is in possession of the mortgaged property, the Court shall, before paying to him the amount so deposited, direct him to deliver possession thereof to the mortgagor and at the cost of the mortgagor either to retransfer the mortgaged property to the mortgagor or to such third person as the mortgagor may direct or to execute and (where the mortgage has been effected by a registered instrument) have registered an acknowledgment in writing that any right in derogation of the mortgagor's interest transferred to the mortgagee has been extinguished."

Amendment of section 84.

40. In section 84 of the said Act :—

(a) after the words "from the date of the tender or" the words "in the case of a deposit, where no previous tender of such amount has been made," shall be inserted ;

(b) for the words "as the case may be" the following shall be substituted, namely :—

"and the notice required by section 83 has been served on the mortgagee :

"Provided that, where the mortgagor has deposited such amount without having made a previous tender thereof and has subsequently withdrawn the same or any part thereof, interest on the principal money shall be payable from the date of such withdrawal ;" and

(c) after the words "tender of the mortgage-money" the words "and such notice has not been given before the making of the tender or deposit, as the case may be" shall be added.

Substitution of new section for section 91.

Persons who may sue for redemption.

41. For section 91 of the said Act the following section shall be substituted, namely :—

"91. Besides the mortgagor, any of the following persons may redeem, or institute a suit for redemption of, the mortgaged property, namely :—

(a) any person (other than the mortgagee of the interest sought to be redeemed) who has any interest in, or charge upon, the property mortgaged or in or upon the right to redeem the same ;

(b) any surety for the payment of the mortgage-debt or any part thereof ; or

(c) any creditor of the mortgagor who has in a suit for the administration of his estate obtained a decree for sale of the mortgaged property."

Insertion of new sections 92, 93 and 94.

Subrogation.

42. After section 91 of the said Act, the following sections shall be inserted namely :—

"92. Any of the persons referred to in section 91 (other than the mortgagor) and any co-mortgagor shall, on redeeming property subject to the mortgage, have, so far as regards redemption, foreclosure or sale of such property, the same rights as the mortgagee whose mortgage he redeems may have against the mortgagor or any other mortgagee.

The right conferred by this section is called the right of subrogation, and a person acquiring the same is said to be subrogated to the rights of the mortgagee whose mortgage he redeems.

A person who has advanced to a mortgagor money with which the mortgage has been redeemed shall be subrogated to the rights of the mortgagee whose mortgage has been redeemed, if the mortgagor has by a registered instrument agreed that such persons shall be subrogated.

Nothing in this section shall be deemed to confer a right of subrogation on any person unless the mortgage in respect of which the right is claimed has been redeemed in full.

Prohibition of tacking.

93. No mortgagee paying off a prior mortgage, whether with or without notice of an intermediate mortgage, shall thereby acquire any priority in respect of his original security; and except in the case provided for by section 79, no mortgagee making a subsequent advance to the mortgagor, whether with or without notice of an intermediate mortgage, shall thereby acquire any priority in respect of his security for such subsequent advance.

Rights of mesne mortgagee.

94. Where a property is mortgaged for successive debts to successive mortgagees, a mesne mortgagee has the same rights against mortgagees posterior to himself as he has against the mortgagor."

Substitution of new sections for section 95.

43. For section 95 of the said Act the following sections shall be substituted, namely:—

Right of redeeming co-mortgagor to expenses.

"95. Where one of several mortgagors redeems the mortgaged property, he shall, in enforcing his right of subrogation under section 92 against his co-mortgagors, be entitled to add to the mortgage-money recoverable from them such proportion of the expenses properly incurred in such redemption as is attributable to their share in the property.

Mortgage by deposit of title-deeds.

96. The provisions hereinbefore contained which apply to a simple mortgage shall, so far as may be, apply to a mortgage by deposit of title-deeds."

Amendmen of section 98.

44. In section 98 of the said Act, for the words "a mortgage not being a simple mortgage, a mortgage by conditional sale, an usufructuary mortgage or an English mortgage or a combination of the first and third, or the second and third, of such forms," the words "an anomalous mortgage" shall be substituted.

Amendment of section 100

45. In section 100 of the said Act,

(*a*) for the words "as to a mortgagor shall, so far as may be, apply to the owner of such property, and the provisions of sections 81 and 82 shall, so far as may be, apply to the person having such charge" the words "which apply to a simple mortgage shall, so far as may be, apply to such charge," shall be substituted; and

(*b*) after the words "in the execution of his trust" the following words shall be added, namely:—

"and save as otherwise expressly provided by any law for the time being in force, no charge shall be enforced against any property in the hands of a person to whom such property has been transferred for consideration and without notice of the charge."

Substitution of new section for section 101.

No merger in case of subsequent encumbrance.

46. For section 101 of the said Act, the following section shall be substituted, namely:—

"101. Any mortgagee of, or person having a charge upon immovable property, or any transferee from such mortgagee or charge-holder, may purchase or otherwise acquire the rights in the property of the mortgagor or owner, as the case may be, without thereby causing the mortage or charge to be merged as between himself and any subsequent mortgagee of, or person having a subsequent charge upon, the same property; and no such subsequent mortgagee or charge-holder shall be entitled to foreclose or sell such property without redeeming the prior mortgage or charge, or otherwise than subject thereto."

Amendment of section 102.

47. In section 102 of the said Act,

(*a*) for the words "Where the person or agent on whom such notice should be served cannot be found in the said district, or is unknown" the words "Where no person or agent on whom such notice should be served can be found or is known," shall be substituted;

(*b*) after the words "and any notice served in compliance with such direction shall be deemed sufficient" the following proviso shall be inserted, namely:—

"Provided that, in the case of a notice required by section 83, in the case of a deposit, the application shall be made to the Court in which the deposit has been made."

(*c*) for the words "Where the person or agent to whom such tender should be made cannot be found within the said district, or is unknown" the words "Where

no person or agent to whom such tender should be made can be found or is known," shall be substituted; and

(*d*) for the words "in such Court as last aforesaid" the words "in any Court in which a suit might be brought for redemption of the mortgaged property" shall be substituted.

Amendment of section 106.

48. In section 106 of the said Act, for the words "tendered or delivered either personally to the party who is intended to be bound by it," the following shall be substituted, namely :—

"either be sent by post to the party who is intended to be bound by it or be tendered or delivered personally to such party,"

Amendment of section 107.

49. In section 107 of the said Act, after the words "by delivery of possession," where they first occur, the following paragraph shall be inserted, namely :—

"Where a lease of immovable property is made by a registered instrument, such instrument or, where there are more instruments than one, each such instrument shall be executed by both the lessor and the lessee."

Amendment of section 108.

50. In section 108 of the said Act.—

(*a*) in clause (*h*)

(*i*) after the words "the lessee may" the words "even after the determination of the lease" shall be inserted; and

(*ii*) for the words "during the continuance of the lease," the words "whilst he is in possession of the property leased but not afterwards," shall be substituted; and

(*b*) in clause (*o*), after the words "or fell" the words "or sell" shall be inserted, and after the words "or damage buildings," the words "belonging to the lessor or" shall be inserted.

Amendment of section 111.

51. In clause (*g*) of section 111 of the said Act—

(*a*) the words "or the lease shall become void" shall be omitted;

(*b*) after the words "title in himself" the following shall be inserted, namely :—

"or (3) the lessee is adjudicated an insolvent and the lease provides that the lessor may re-enter on the happening of such event";

(*c*) for the words "either case" the words "any of these cases" shall be substituted; and

(*d*) for the words "does some act showing" the words "gives notice in writing to the lessee of" shall be substituted.

Insertion of new section 114.A.

52. After section 114 of the said Act, the following section shall be inserted, namely :—

Relief against forfeiture in certain other cases.

"114-A. Where a lease of immovable property has been determined by forfeiture for a breach of an express condition which provides that on breach thereof the lessor may re-enter, no suit for ejectment shall lie unless and until the lessor has served on the lessee a notice in writing—

(*a*) specifying the particular breach complained of; and

(*b*) if the breach is capable of remedy, requiring the lessee to remedy the breach ;

and the lessee fails within a reasonable time from the date of the service of the notice, to remedy the breach, if it is capable of remedy.

Nothing in this section shall apply to an express condition against the assigning, under-letting, parting with the possession, or disposing of the property leased, or to an express condition relating to forfeiture in case of non-payment of rent."

Substitution of new section for section 119.

53. For section 119 of the said Act, the following section shall be substituted, namely :—

Right of party deprived of thing received in exchange.

"119. If any party to an exchange or any person claiming through or under such party is by reason of any defect in the title of the other party deprived of the thing or any part of the thing received by him in exchange, then, unless a contrary intention appears from the terms of the exchange, such other party is liable to him or any person claiming through or under him for loss caused thereby, or at the option of the person so deprived, for the return of the thing transferred, if still in the possession of such other party or his legal representative or a transferee from him without consideration."

Amendment of section 128.

54. In section 128 of the said Act, after the words "debts due by" the words "and liabilities of" shall be inserted.

Amendment of section 130.

55. In section 130 of the said Act :—

after the words "The transfer of an actionable claim" the words "whether with or without consideration" shall be inserted.

56. Nothing in any of the following provisions of this Act namely sections 2, 6, 7, 12, 15, 16, 24, 27, clause (c) of section 28, sections 29, 30, 41, 47, 49, 51, 52, 53 and 55 shall be deemed in any way to affect— Saving clause.

(a) the terms or incidents of any transfer of property made or effected before the first day of January 1939,

(b) the validity, invalidity, effect or consequences of anything already done or suffered before the aforesaid date,

(c) any right, title, obligation or liability already acquired, accrued or incurred before such date, or

(d) any remedy or proceeding in respect of such right, title, obligation or liability; and nothing in any other provision of this Act shall render invalid or in any way affect anything already done before the first day of January 1939 in any proceeding pending in a Court on that date; and any such remedy and any such proceeding as is herein referred to may be enforced, instituted or continued, as the case may be, as if this Act had not been passed.

MIRZA M. ISMAIL,
Dewan.

ACT No. XVII OF 1938.

(Received the assent of His Highness the Maharaja on the thirteenth day of July 1938.)

THE TRANSFER OF PROPERTY (AMENDMENT) SUPPLEMENTARY ACT.

An Act to supplement the Transfer of Property (Amendment) Act.

Whereas by reason of the passing of the Transfer of Property (Amendment) Act, it is expedient that certain amendments should be made in certain other enactments; It is hereby enacted as follows:—

1. (1) This Act may be called the Transfer of Property (Amendment) Supplementary Act, 1938. Short title and commencement.

(2) It shall come into force on the 1st day of January 1939.

Insertion of new section 27-A, in Specific Relief Act.

2. After section 27 of the Specific Relief Act, 1877, as in force in Mysore, the following section shall be inserted, namely :—

Specific performance in case of part performance of contract to lease.

"27-A. Subject to the provisions of this Chapter, where a contract to lease immovable property is made in writing signed by the parties thereto or on their behalf, either party may, notwithstanding that the contract, though required to be registered, has not been registered, sue the other for specific performance of the contract if,—

(*a*) where specific performance is claimed by the lessor, he has delivered possession of the property to the lessee in part performance of the contract ; and

(*b*) where specific performance is claimed by the lessee, he has in part performance of the contract, taken possession of the property, or being already in possession, continues in possession in part performance of the contract, and has done some act in furtherance of the contract :

Provided that nothing in this section shall affect the rights of a transferee for consideration who has no notice of the contract or of the part performance thereof.

This section applies to contracts to lease executed after the first day of January 1939."

Amendment of Registration Act.

3. (1) In section 17 of the Mysore Registration Act, 1903,—

(*a*) after clause (*d*) the following clause shall be added, namely :—

"(*dd*) non-testamentary instruments transferring or assigning any decree or order of a Court or any award when such decree or order or award purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, of the value of one hundred rupees and upwards, to or in immovable property"; and

(*b*) in clause (*j*) for the words "and awards" the words "except decrees or orders expressed to be made on a compromise and comprising immovable property other than that which is the subject matter of the suit or proceeding" shall be substituted.

(2) In section 48 of the same Act after the words "or followed by delivery of possession" the following words shall be added, namely :—

"and the same constitutes a valid transfer under any law for the time being in force ;

Provided that a mortgage by deposit of title deeds as defined in section 58 of the Transfer of Property Act shall take effect against any mortgage-deed subsequently executed and registered which relates to the same property."

(3) In section 49 of the same Act—

(*a*) after the word and figures "section 17" the words "or by any provision of the Transfer of Property Act" shall be inserted; and

(*b*) to that section the following proviso shall be added, namely :—

"Provided that an unregistered document affecting immovable property and required by this Act or the Transfer of Property Act to be registered may be received as evidence of a contract in a suit for specific performance under Chapter II of the Specific Relief Act, 1877, as in force in Mysore, or as evidence of part performance of a contract for the purposes of section 53-A of the Transfer of Property Act or as evidence of any collateral transaction not required to be effected by registered instrument."

Amendment of Indian Succession Act.

4. (1) In section 102 of the Indian Succession Act, 1865, as in force in Mysore,

(*a*) for the words "wholly void" the words "void in regard to those persons only and not in regard to the whole class" shall be substituted;

(*b*) in *Illustration* (*a*) for the words "and, as it is given to all his children as a class, it is not good as to any division of that class, but is wholly void" the following words shall be substituted, namely :—

"and in regard to those who do not attain the age of 25 within 18 years after A's death, but is operative in regard to the other children of A"; and

(*c*) in *Illustration* (*b*), for the words "The mention of B, C and D by name does not prevent the bequest from being regarded as a bequest to a class, and the bequest is wholly void" the following words shall be substituted, namely :—

"Although the mention of B, C and D does not prevent the bequest from being regarded as a bequest to a class, it is not wholly void. It is operative as regards any of the children B, C or D, who attains the age of 25 within 18 years after A's death"

(2) for section 103 of the same Act, the following section shall be substituted, namely :—

Bequest to take effect on failure of prior bequest.

"103. Where by reason of any of the rules contained in sections 100 and 101 any bequest in favour of a person or of a class of persons is void in regard to such person or the whole of such class, any bequest contained in the same will and intended to take effect after or upon failure of such prior bequest is also void."

(3) For section 104 of the same Act and the *Illustration* thereto, the following section shall be substituted, namely :—

Effect of direction for accumulation.

"104. (1) Where the terms of a will direct that the income arising from any property shall be accumulated either wholly or in part during any period longer than a period of eighteen years from the death of the testator, such direction shall, save as hereinafter provided, be void to the extent to which the period during which the accumulation is directed exceeds the aforesaid period, and at the end of such period of eighteen years the property and the income thereof shall be disposed of as if the period during which the accumulation has been directed to be made had elapsed.

(2) This section shall not affect any direction for accumulation for the purpose of—

(i) the payment of the debts of the testator or any other person taking any interest under the will, or

(ii) the provision of portions for childern or remoter issue of the testator or of any other person taking any interest under the will, or

(iii) the preservation or maintenance of any property bequeathed ;

and such direction may be made accordingly."

Savings.

5. Nothing in this Act shall be deemed to affect—

(*a*) the terms or incidents of any transfer or disposition of property made or effected before the first day of January 1939 ;

(*b*) the validity, invalidity, effect or consequences of anything already done or suffered before the aforesaid date ;

(*c*) any right, title, obligation or liability already acquired, accrued or incurred before such date ;

(*d*) any remedy or proceeding in respect of such right, title, obligation or liability ; or

(*e*) anything done in the course of any proceeding pending in any Court on the aforesaid date ;

and any such remedy or proceeding may be enforced, instituted or continued, as the case may be, as if this Act had not been passed.

MIRZA M. ISMAIL,
Dewan.

No. T. 335—*R. T.* 10-37-51, *dated Bangalore, 26th July* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 45 (i) and (ii) of the rules regarding public service motor vehicles, issued with Notification No. P. 3992—Legis. 46-35, dated 18th December 1935, as amended from time to time, the draft amendment in the said behalf having already been published with Notification No. T. 4141—R. T. 10-37-46, dated 20th June 1938 at page 126, para IV of the *Mysore Gazette*, dated 23rd June 1938 :—

AMENDMENT.

The following shall be substituted for Rule 45 (i) and (ii) of the rules regarding public service motor vehicles :—

45. (i) The proprietor of motor buses should obtain a duly numbered driver's badge from the District Superintendent of Police in respect of each vehicle maintained by him. The proprietor shall supply such badge to the driver of the vehicle in respect of which the badge is issued. The driver shall wear the badge in a conspicuous place on his left breast.

(ii) The fee payable for a badge shall be one rupee. If a badge is lost, a new one shall be obtained on payment of a similar fee.

(iii) The proprietor shall surrender the badge to the District Superintendent of Police on the permit for the vehicle being suspended or cancelled or becoming time expired. If the badge is not surrendered, the proprietor shall be liable to pay a fee of one rupee to the District Superintendent of Police.

No. T. 351—R. T. 10-37-52, dated Bangalore, 27th July 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 3 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft in the said behalf having already been published at page 135, Part IV of the *Mysore Gazette*, dated 30th June 1938, with Notification No. T. 4233—R. T. 10-37-50, dated 22nd June 1938 :—

Amendment.

The following shall be substituted for the existing Clause (ii) of the proviso to Rule 3 of the Mysore Motor Vehicles Rules, 1924, as amended from time to time. (*Vide* page 40 of the Mysore Motor Manual) :—

(ii) After the holder has ceased to be such a resident or has been resident in the Mysore State for four continuous months.

No. T. 361—R. T. 10-37-54, dated Bangalore, 27th July 1938.

The following draft of the rules which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act, 1928, and Section 33 of the Mysore Road Traffic and Taxes Act VI of 1935, is hereby published for the information of persons likely to be affected thereby and that any suggestions or objections received on or before the 15th August

1938, from any person in respect of the said draft will be considered by Government :—

Draft Rules.

Add the following as Rule 18 (1) (c) to the Mysore Motor Vehicles Rules, 1924, as amended from time to time :

(*Vide* page 53 of the Mysore Motor Manual)

"18 (1) (c). A driver of a motor bus shall, before being granted a license, produce a certificate from the Secretary, St. John's Ambulance Association, to the effect that he has successfully undergone a course of training in First Aid."

Add the following as Rule 41 (ii) (a) to the rules regarding Public Service Motor Vehicles as amended from time to time :—(*Vide* page 95 of the Mysore Motor Manual).

"41 (ii) (a). No person shall be granted by the District Magistrate a written authority to act as a conductor of a motor bus unless he produces a certificate from the Secretary, St. John's Ambulance Association, to the effect that he has successfully undergone a course of training in First Aid."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. D. 666—I. & C. 113-35-32, dated Bangalore, 25th July 1938.

In exercise of the powers conferred by Section 31 (1) of the Workmen's Compensation Act XIV of 1928, as amended by Act III of 1936, the Government of His Highness the Maharaja of Mysore are pleased to issue the following amendments to the Workmen's Compensation Rules 1929, the draft amendments in that behalf having been published with Notification No. D. 2260—I. & C. 113-35-22, dated 2nd—13th September 1937, published on pages 237 to 244 of Part IV of the *Mysore Gazette*, dated 16th September 1937.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

Amendments to the Mysore Workmen's Compensation Rules 1929.

PART I.

Review of half-monthly payments and commutation thereof.

Rule 3. "Omit sub-rule (*d*). Read sub-rule (*e*) as sub-rule (*d*) and insert the following as sub-rule (*e*).

"Either by the employer or by the workman on the ground that in the determination of compensation, there is a mistake or error apparent on the face of the record."

PART II.

Deposit of compensation and registration of dependants.

Rule 6. Under sub-rule (1), after the words "An employer depositing compensation with the Commissioner under sub-section (1) of section 8," insert the following words :—

"In respect of a workman whose injury has resulted in death."

Insert the following after the words "Form B" appearing under sub-rule (1).

"In other cases of deposits with the Commissioner under sub-section (1) of section 8, the employer shall furnish a statement in Form "AA" and shall be given a receipt in Form 'B'."

Under sub-rule (2) delete the words, "if in the statement referred to in sub-rule (1) the employer indicates" and substitute the following :—

"If when depositing compensation in respect of fatal accidents, the employer indicates in the statement referred to in sub-rule (1)."

Rule 7. After the words, "in respect of whose death" add the words "Or injury."

Rule 8. For sub-rule (1) substitute the following sub-rule :—

"A dependant of a deceased workman may apply to the Commissioner for the issue of an order to deposit compensation in respect of the death of the workman. Such application shall be made in from 'G'."

For the heading "Procedure where no compensation deposited" appearing against sub-rule (1) of rule 8, substitute the following heading :—

"Application by dependants for deposits of compensation."

In sub-rule (2) before the words, "The Commissioner shall dispose of", insert the words "If compensation has not been deposited."

Substitute the following rule for rule 10 "Money in the hands of a Commissioner may be invested for the benefit of the dependants of a deceased workman in Government Securities or may be deposited in a Government Savings Bank." Rule 10.

PART III.

For the title "Inquiry by employer" appearing under Part III, substitute the following title :—

"Reports of Accidents."

Insert the following rule as rule 12 before sub-rule (1) of rule 12. Rule 12.

"The report required by section 10-B shall, subject to such rules, if any, as may be made by Government be in the form "EE."

Insert the heading "Report of fatal accidents" against rule 12.

Read rule 12 (1) as rule 12-A (1) and substitute the words "who has received information of an accident" for the words "to whom notice of an accident has been given" appearing under this rule.

Substitute the words "Information received" for the words "Notice given" appearing in the heading against Rule 12-A (1).

PART V.

PROCEDURE.

Substitute the following for sub-rule (1) of rule 21. Rule 21

"On receiving such application, the Commissioner may examine the applicant on oath, or may send the application to any officer authorised by Government in

this behalf and direct such officer to examine the applicant and his witnesses and forward the record thereof to the Commissioner."

Rule 37. After sub-rule (2) insert the following sub-rules as sub-rules 3 and 4.

(3) "If any person served with a notice under sub-rule (1), whether or not he desires to contest the applicant's claim for compensation or the opposite party's claim to be indemnified, claims that being a contractor he is himself a principal and is entitled to be indemnified, by a person standing to him in the relation of a contractor from whom the workman could have recovered compensation, he shall on or before the date fixed in the notice under sub-rule (1) present a notice of such claim to the Commissioner accompanied by the prescribed fee and the Commissioner shall thereupon issue notice to such person in Form "JJ."

(4) "If any person served with a notice under sub-rule (3) desires to contest the applicant's claim for compensation, or the claim under sub-rule (3) to be indemnified, he shall appear before the Commissioner on the date fixed in the notice in Form "JJ" or on any date to which the case may be adjourned and, if he so appears, shall have all the rights of a party to the proceedings; in default of so appearing, he shall be deemed to admit the validity of any award made against the original opposite party or the person served with a notice under sub-rule (1) and to admit his own liability to indemnify the party against whom such award is made for any compensation recovered from him:

Provided that, if any person so served appears subsequently and satisfies the Commissioner that he was prevented by any sufficient cause from appearing, the Commissioner shall, after giving notice to all parties on the record, hear such person, and may set aside or vary any award made against such person under this rule upon such terms as may be just."

Substitute the following sub-rule for sub-rule (3) and re-number it as sub-rule (5).

"In any proceeding in which a notice has been served on any person under sub-rule (1) or sub-rule (3) the Commissioner shall, if he awards compensation, record in his judgment a finding in respect of each of such persons whether he is or is not liable to indemnify any of the

opposite parties, and shall specify the party, if any, whom he is liable to indemnify."

Insert the following rule as rule 39-A after rule 39. Rule 39.

"Any form other than a receipt for compensation, which is by these rules required to be signed by a Commissioner may be signed under his direction and on his behalf by any officer subordinate to him appointed by him in writing for this purpose.

FORMS.

Substitute the following Form for Form "A". Form A.

After Form "A" insert the following form as Form "AA."

In Form 'C' after the column "Amount deposited" insert the following column:— Form "C."

"Amount deducted and repaid to the employer under the proviso to section 8 (1)."

In Form 'D' after the words "Non-fatal accidents" add the words "Other than to a woman or person under legal disability." Form 'D.'

After Form 'E' insert the following form as form 'EE.' Form 'E.'

Omit the word "Not" appearing under item No. 4 (*a*) of form 'F.' Form 'F.'

Delete the words "To determine the following questions in dispute, namely" appearing below item No. 7 and substitute the following:— Form 'G.'

"To award to the applicant the said compensation or any other compensation to which he may be entitled."

Delete the clauses (*a*), (*b*), (*c*), (*d*), (*e*), (*f*) and (*g*) appearing below item No. 7.

After Form 'J' insert the following form as Form 'JJ.' Form 'J.'

After Form 'M' insert the following forms namely Form 'N', Form 'O', Form 'P', Form 'Q' and Form 'R' published on pages 25 to 50 of Part III of the *Mysore Gazette*, dated 7th March 1929. Form 'M.'

FORM A.

[(*See Rule 6 (1)*].

DEPOSIT OF COMPENSATION FOR FATAL ACCIDENT.

(*Section 8 (1) of the Workmen's Compensation Regulation.*)

Compensation amounting to Rs. .....is hereby presented for deposit in respect of injuries resulting in the death of the workman, whose particulars are given below, which occurred on.....

To be filled in if available.
- Name.....
- Father's name.....
- (Husband's name in case of married woman or widow.)
- Caste.....
- Local address.....
- Permanent address.....

His/Her monthly wages are estimated at Rs. ..... He/She was over/under the age of 15 years at the time of his/her death.

2. The said workman had, prior to the date of his/her death received the following payments as compensation for disablement, namely :—

Rs. .....on.....Rs. ..... on.....

Rs. .....on.....Rs. .....on.....

Rs. .....on.....Rs. .....on.....

amounting in all to Rs. .....

3. An advance of Rs. .....has been made on account of compensation to.....being his/her dependant.

4. * I do not desire to be made a party to the proceedings for distribution of the aforesaid compensation.

Dated.....*19* .....

Employer.

* An employer desiring to be made a party to the proceedings should strike out the words "do not."

FORM AA.

[(*See Rule 6 (1)*].

DEPOSIT OF COMPENSATION FOR NON-FATAL ACCIDENT TO A WOMAN OR PERSON UNDER LEGAL DISABILITY.

(*Section 8 (1) of the Workmen's Compensation Regulation*).

Compensation amounting to Rs. .....is hereby presented for deposit in respect of injuries sustained by..... residing at.....on..... .19 , resulting in the $\frac{\text{loss of}}{\text{temporary disablement}}$ $\frac{\text{His}}{\text{Her}}$ monthly wages are estimated at Rs. ..... $\frac{\text{He}}{\text{She}}$ was $\frac{\text{over}}{\text{under}}$ the age of 15 years at the time of the accident.

2. The said injured workman has prior to the date of the deposit received the following half-monthly payments, namely :—

Rs. .....on.....Rs. .....on.....
Rs. .....on.....Rs. .....on.....
Rs. .....on.....Rs. .....on.....

Dated.....*19* . *Employer*.

FORM EE.

[(*See Rule 12*).]

REPORT OF FATAL ACCIDENTS.

TO

.....

SIR,

I have the honour to submit the following report of an accident which occurred on.....(date), at.....(here enter details of premises) ....and which resulted in the death of the $\frac{\text{workman}}{\text{workmen}}$ of whom particulars are given in the statement annexed.

2. The circumstances attending the death of the $\frac{\text{workman}}{\text{workmen}}$ were as under :—

(*a*) Time of the accident.
(*b*) Place where the accident occurred.
(*c*) Manner in which deceased $\frac{\text{was}}{\text{were}}$ employed at the time.
(*d*) Cause of the accident.
(*e*) Any other relevant particulars.

I have, etc.,
Signature, and designation of person making the report.

Statement.

Name	Sex	Age	Nature of employment	Full postal address.

FORM JJ.

NOTICE.

Whereas a claim for compensation has been made by..... applicant, against..... .....and the said..... has claimed that.....is liable under Section 12 (2) of the Workmen's Compensation Regulation, to indemnify him against any compensation which he may be liable to pay in respect of the aforesaid claim, and whereas the said..... ....on notice served has claimed that you.....stand to him in the relation of a contractor from whom the applicant.....could have recovered compensation you are hereby informed that you may appear before me on..... and contest the claim for compensation made by the said applicant or the claim for indemnity made by the opposite party..... In default of your appearance you will be deemed to admit the validity of any award made against the opposite party..... and your liability to indemnify the opposite party.....for any compensation recovered from him.

Dated.....19 .

.....

Commissioner.

FORM N.

(*See Rule 46.*)

Whereas an agreement to pay compensation is said to have been reached between.....and.....and whereas..... has/have applied for registration of the agreement under section 27 of the Workmen's Compensation Regulation, notice is hereby given that the said agreement will be taken into consideration on.....19 , and that any objections to the registration of the said agreement should be made on that date. In the absence of valid objections, it is my intention to proceed to the registration of the agreement.

Dated.....19 .

.....

Commissioner.

FORM O.

(*See Rules 46 and 47.*)

Take notice that registration of the agreement to pay compensation said to have been reached between you..... .....and on the..... .....19 , has been refused for the following reasons, namely :—

.....

.....

Dated.....19 .

.....

Commissioner.

FORM P.

(See Rule 47.)

Whereas an agreement to pay compensation is said to have been reached between.....and.....and whereas..... $\frac{\text{has}}{\text{have}}$ applied for registration of the agreement under section 27 of the Workmen's Compensation Regulation, and whereas it appears to me that the said agreement ought not to be registered for the following reasons, namely :—

.....

.....

an opportunity will be afforded to you of showing cause on..... .....19 why the said agreement should be registered. If no adequate cause is shown on that date, registration of the agreement will be refused.

Dated.....19 .....

Commissioner.

FORM Q.

(See Rule 47.)

Whereas an agreement to pay compensation is said to have been reached between.....and.....whereas..... $\frac{\text{has}}{\text{have}}$ applied for registration of the agreement under section 27 of the Workmen's Compensation Regulation, and whereas it appears to me that the said agreement ought not to be registered for the following reasons, namely :—

.....

an opportunity will be afforded to the said..... of showing cause on.....19 .....why the said agreement should be registered. Any representation which you have to make with regard to the said agreement should be made on that date. If adequate cause is then shown, the agreement may be registered.

Dated.....19 .....

Commissioner.

FORM R.

(See Rule 49.)

REGISTER OF AGREEMENTS FOR THE YEAR 19 .

Serial Number	Date of agreement	Date of registration	Employer	Workman	Initials of Commissioner	Reference to orders rectifying the register

Dated.....19 .....

Commissioner.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 1148—*Cts.* 113-37-6, *dated Bangalore, 27th August* 1938.

In virtue of the powers vested in Government under the schedule to the Mysore Extradition Act, 1938, Government are pleased to direct that offences committed in British India which would, if committed in Mysore, constitute an offence under the Criminal Tribes Act, 1916, be deemed to be extradition offences for the purposes of the Mysore Extradition Act, 1938.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

No. D. 1421—J. S. 35-36-14, dated Bangalore, 29th August 1938.

In exercise of the powers vested in them by Section 144 (2) of the Mysore Companies Act, VIII of 1917 and in supersession of the rules previously published with Notification No. 10872—I. and C. 359-20-2, dated 11th May 1921 and amended by various Notifications issued from time to time, the Government of His Highness the

Maharaja of Mysore are pleased to publish the following revised rules for the grant of certificates to Auditors of Companies in the Mysore State.

RULES FOR THE GRANT OF CERTIFICATES TO AUDITORS OF COMPANIES.

1. The Government may, upon receipt of an application in this behalf from any person who is not below 21 years of age and who has at least *five years' practical training in auditing accounts* and who can satisfy the Government as to his competency, grant to any such person a certificate entitling the holder thereof to act as an Auditor of Companies.

2. (*a*) Every person desirous of obtaining a certificate shall apply to the Secretary to Government in the Development Department through the Registrar of Joint Stock Companies in Mysore (who may, on his own authority, reject such of the applications that do not fulfil the prescribed conditions) and shall specify :—

(i) His full name, age, caste, residence and qualifications ; and the language or languages in which the accounts are kept, and which he considers he is competent to audit.

(ii) Any examination in Auditing or Accountancy he has passed with a certificate to that effect ;

(iii) If he has served in any firm of Auditors or Accountants, particulars thereof and the period for which he may have so served ; and

(iv) If he has audited independently the accounts of any companies, the names of such companies and the number of the accounts so audited.

(*b*) He shall state in his application whether at any time he has applied for a certificate from any other Government or Administration in India and the result of such application.

(*c*) He shall supply such further information bearing on his application as the Government, at any time, require of him.

3. The applicant shall also furnish satisfactory evidence of character.

4. Every person whose application has been accepted by Government shall be granted a certificate entitling him to act as auditor of Joint Stock Companies in the Mysore State on payment of the entrance fee and the annual fee ; The certificate shall be in Form A (Annexure). No fee shall be payable for a certificate. No application shall be necessary for the renewal of a certificate but a fresh certificate, valid for the succeeding twelve months shall be sent to every auditor to whom a certificate was previously granted and whose certificate is still valid and who has paid the annual fee due under the Rule.

5. The certificate granted shall specify the language or languages of the accounts which the holder shall be entitled to audit and the holder thereof shall be entitled to audit accounts kept in such language or languages only.

6. The Government may at any time, renew the certificate on receipt of all arrears on account of the annual fee from the applicant. The renewal of a certificate to any person under this rule shall be notified in the *Mysore Gazette* and shall be communicated to the person concerned.

7. The fee prescribed by these Rules shall be paid to any Mysore Government Treasury for credit under the Head "XXII, Industries and Commerce, 1. Fees for Registration of Companies and Miscellaneous Receipts," and the duplicate Treasury chellan therefor shall be sent to the Secretary to Government, Development Department, through the Registrar of Joint Stock Companies in Mysore, Bangalore.

8. An application on behalf of a firm of Accountants consisting of more than one member shall be made in the name of the firm and shall state the name and qualifications of each member of the firm.

9. A person shall not be eligible for a certificate, if he :—

(i) has been adjudged by a competent Court to be of unsound mind;

(ii) is an undischarged insolvent;

(iii) being a discharged insolvent, has not obtained from the Court a certificate that his insolvency was caused by misfortune without any misconduct on his part;

(iv) has been convicted by a competent Court, of any offence which is punishable under the Indian Penal Code and is under the provisions of the Code of Criminal Procedure non-bailable; or

(v) having previously practised as a Public Accountant, is considered by the Government not to be a fit and proper person to be granted a certificate by reason of any act of negligence, misconduct or dishonesty committed in his professional capacity.

10. The Government may cancel permanently or temporarily the certificate of any person :—

(*a*) whom they have declared not to be a fit and proper person to hold a certificate by reason of any act of negligence, misconduct or dishonesty committed in his professional capacity, provided that, before making such declaration, the Government shall call upon the person concerned to show cause why his certificate should not be cancelled and shall make such further enquiry, if any, as they may consider necessary,

(*b*) from whom the annual fee has not been received on the expiry of three months from the date on which it becomes due.

11. The cancellation of the certificate of any person shall be notified in the *Mysore Gazette* and shall be communicated to the person concerned.

12. An Auditor's Certificate shall be deemed to be cancelled from the date on which and during the period for which it is cancelled.

13. (i) No person shall be entitled to a certificate except on payment to the Registrar of Joint Stock Companies in Mysore of a fee at the following rates, namely :—

	Rs.
(a) An entrance fee ... ... (Payable as soon as the application is accepted by Government).	100
(b) Annual fee ... ... (The annual fee shall be due and payable on the 1st April in each year).	25

(ii) If the certificate is lost or destroyed, a duplicate may be obtained by the holder on application to Government through the Registrar of Joint Stock Companies on payment of a fee of Rs. 3.

(iii) Such fee shall be credited by the Registrar to the Government.

14. (a) The Registrar of Joint Stock Companies shall maintain a Register in which shall be entered the name, residence and qualifications of every person or firm to whom a certificate has been granted under these rules and the date on which it has been granted.

(b) When a certificate is cancelled, the name of the person or firm to whom it was granted shall be removed from the said Register.

(c) It shall be the duty of the Registrar to keep the Register correct and up-to-date.

(d) Such register shall be open to the inspection of the public on payment of a fee of annas eight for each inspection.

By Order,

M. VENKATANARANAPPA.

Secretary to Government,
Development Department.

ANNEXURE.

Form A.

AUDITOR'S CERTIFICATE.

(*See Rule 4*).

This is to certify that.....
of.....is entitled to be appointed and to act as an Auditor of Joint Stock Companies, in the Mysore State. The holder thereof is authorised to audit the accounts of Joint Stock Companies in the State in.....language (s) only.

This certificate is valid from the..... day of 19.....to the day of 19..... (inclusive).

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BANGALORE, THURSDAY, SEPTEMBER 1, 1938.

PART IV.

Legislative Measures and Rules thereunder.

Order No. P. 571—Legis. 11-38-1, dated Bangalore, 27th July 1938.

Ordered that the accompanying Act to consolidate and amend the law relating to Trading Companies and other associations, which received the assent of His Highness the Maharaja, on the thirteenth day of July 1938, be published as Act No. XVIII of 1938, in the *Mysore Gazette* for general information.

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

ACT No. XVIII OF 1938.

(*Received the assent of His Highness the Maharaja on the thirteenth day of July 1938.*)

ACT TO CONSOLIDATE AND AMEND THE LAW RELATING TO TRADING COMPANIES AND OTHER ASSOCIATIONS.

Whereas it is expedient to consolidate and amend the law relating to Trading Companies and other Associations; it is hereby enacted as follows:—

PART I.

PRELIMINARY.

Short title, commencement and extent.

1. (1) This Act may be called the Mysore Companies Act, 1938.

(2) It shall come into force on the first day of October 1938.

(3) It extends to the whole of Mysore.

Definitions.

2. (1) In this Act unless there is anything repugnant in the subject or context,—

(*1*) "articles" means the articles of association of a company as originally framed or as altered by special resolution, including, so far as they apply to the company, the regulations contained in Table A in the First Schedule annexed to the Mysore Companies Act, 1895, or in Table A in the First Schedule annexed to the Mysore Companies Act, 1917, or in Table A in the First Schedule annexed to this Act.

(*2*) "company" means a company formed and registered under this Act or an existing company:

(*3*) "the Court" means the Court having jurisdiction under this Act:

(*4*) "debenture" includes debenture stock:

(*5*) "director" includes any person occupying the position of a director by whatever name called:

(*6*) "District Court" means the principal Civil Court of original jurisdiction in a district:

(*7*) "existing company" means a company formed and registered under the Indian Campanies Act, 1866, or

under the Mysore Companies Act, 1895, or under the Mysore Companies Act, 1917:

(*7-A*) "the Indian Companies Act, 1866," means Act X of 1866 as extended to Mysore:

(*8*) "Insurance company" means a company that carries on the business of insurance either solely or in common with any other business or businesses:

(*9*) "manager" means a person who, subject to the control and direction of the directors, has the management of the whole affairs of a company, and includes a director or any other person occupying the position of a manager by whatever name called and whether under a contract of service or not:

(*9-A*) "managing agent" means a person, firm or company entitled to the management of the whole affairs of a company by virtue of an agreement with the company, and under the control and direction of the directors except to the extent, if any, otherwise provided for in the agreement, and includes any person, firm or company occupying such position by whatever name called:

Explanation.—If a person occupying the position of a managing agent calls himself a manager he shall nevertheless be regarded as managing agent and not as manager for the purposes of this Act.

(*10*) "memorandum" means the memorandum of association of a company as originally framed or as altered in pursuance of the provisions of this Act:

(*11*) "officer" includes any director, managing agent, manager or secretary but, save in sections 235, 236 and 237, does not include an auditor.

(*12*) "prescribed" means, as respects the provisions of this Act relating to the winding up of companies, prescribed by rules made by the High Court, and, as respects the other provisions of this Act, prescribed by the Government:

(*13*) "private company" means a company which by its articles—

(*a*) restricts the right to transfer the shares, if any; and

(*b*) limits the number of its members to fifty not including persons who are in the employment of the company; and

(*c*) prohibits any invitation to the public to subscribe for the shares, if any, or debentures of the company:

Provided that where two or more persons hold one or more shares in a company jointly they shall, for the purposes of this definition, be treated as a single member:

(*13-A*) "public company" means a company incorporated under this Act or under the Mysore Companies Act, 1917, or under the Mysore Companies Act, 1895, or under the Indian Companies Act, 1866, which is not a private company.

(*14*) "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company, but shall not include any trade advertisement which shows on the face of it that a formal prospectus has been prepared and filed:

(*15*) "the registrar" means a registrar or assistant registrar performing under this Act the duty of registration of companies: and

(*16*) "share" means share in the share capital of the company, and includes stock except when a distinction between stock and shares is expressed or implied.

(2) Where the assets of a company consist in whole or in part of shares in another company, whether held directly or through a nominee and whether that other company is a company within the meaning of this Act or not, and

(*a*) the amount of the shares so held is at the time when the accounts of the holding company are made up more than fifty per cent of the issued share capital of that other company or such as to entitle the company to more than fifty per cent of the voting power in that other company, or

(*b*) the company has power (not being power vested in it by virtue only of the provisions of a debenture trust deed or by virtue of shares issued to it for the purpose in pursuance of those provisions) directly or indirectly to appoint the majority of the directors of that other company,

that other company shall be deemed to be a subsidiary company within the meaning of this Act and the expression 'subsidiary company' in this Act means a company in the case of which the conditions of this sub-section are satisfied and includes a subsidiary company of such company:

Provided that where a company, the ordinary business of which includes the lending of money, holds shares in another company as security only, no account shall, for the purpose of determining under this section whether that other company is a subsidiary company, be taken of the shares so held.

Jurisdiction of the Courts.

3. (1) The Court having jurisdiction under this Act shall be the High Court:

Provided that the Government may, by notification in the official Gazette and subject to such restrictions and conditions as it thinks fit, empower any District Court to exercise all or any of the jurisdiction by this Act conferred upon the Court, and in that case such District Court shall, as regards the jurisdiction so conferred, be the Court in respect of all companies having their registered offices in the district.

(2) For the purposes of jurisdiction to wind up companies, the expression 'registered office' means the place which has longest been the registered office of the company during the six months immediately preceding the presentation of the petition for winding up.

(3) Nothing in this section shall invalidate a proceeding by reason of its being taken in a wrong Court.

PART II.

CONSTITUTION AND INCORPORATION.

Prohibition of partnerships exceeding certain number.

4. (1) No company, association or partnership consisting of more than ten persons shall be formed for the purpose of carrying on the business of banking unless it is registered as a company under this Act.

(2) No company, association or partnership consisting of more than twenty persons shall be formed for the purpose of carrying on any other business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof, unless it is registered as a company under this Act.

(3) This section shall not apply to a joint family carrying on joint family trade or business and where two or more such joint families form a partnership, in computing the number of persons for the purposes of this section, minor members of such families shall be excluded.

(4) Every member of a company, association or partnership carrying on business in contravention of this section shall be personally liable for all liabilities incurred in such business.

(5) Any person who is a member of a company, association or partnership formed in contravention of this section shall be punishable with fine not exceeding one thousand rupees.

MEMORANDUM OF ASSOCIATION.

Mode of forming incorporated company.

5. Any seven or more persons (or, where the company to be formed will be a private company, any two or more persons) associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without limited liability (that is to say), either—

(*i*) a company having the liability of its members limited by the memorandum to the amount, if any, unpaid on the shares respectively held by them (in this Act termed a company limited by shares); or

(*ii*) a company having the liability of its members limited by the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up (in this Act termed a company limited by guarantee); or

(*iii*) a company not having any limit on the liability of its members (in this Act termed an unlimited company.)

Memorandum of company limited by shares.

6. In the case of a company limited by shares—

(1) the memorandum shall state—

(*i*) the name of the company, with "Limited" as the last word in its name;

(*ii*) the objects of the company;

(*iii*) that the liability of the members is limited;

(*iv*) the amount of share capital with which the company proposes to be registered, and the division thereof into shares of a fixed amount:

(2) no subscriber of the memorandum shall take less than one share:

(3) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of company limited by guarantee.

7. In the case of a company limited by guarantee—

(1) the memorandum shall state—

(*i*) the name of the company, with "Limited" as the last word in its name;

(*ii*) the objects of the company;

(*iii*) that the liability of the members is limited;

(*iv*) that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories among themselves, such amount as may be required, not exceeding a specified amount:

(2) if the company has a share capital—

(*i*) the memorandum shall also state the amount of share capital with which the company proposes to be registered and the division thereof into shares of a fixed amount;

(*ii*) no subscriber of the memorandum shall take less than one share;

(*iii*) each subscriber shall write opposite to his name the number of shares he takes.

Memorandum of unlimited company.

8. In the case of an unlimited company—

(1) the memorandum shall state—

(*i*) the name of the company;

(*ii*) the objects of the company:

(2) if the company has a share capital—

(*i*) no subscriber of the memorandum shall take less than one share;

(*ii*) each subscriber shall write opposite to his name the number of shares he takes.

Printing and signature of memorandum.

9. The memorandum shall—

(*a*) be printed,

(*b*) be divided into paragraphs numbered consecutively, and

(*c*) be signed by each subscriber (who shall add his address and description) in the presence of at least one witness who shall attest the signature.

Restriction on alteration of memorandum.

10. A company shall not alter the conditions contained in its memorandum except in the cases and in the

mode and to the extent for which express provision is made in this Act:

Provided that any provision in the memorandum relating to the appointment of a manager or managing agent and other matters of a like nature incidental or subsidiary to the main objects of the company, shall not be deemed to be such condition.

Name of company and change of name.

11. (1) A company shall not be registered by a name identical with that by which a company in existence is already registered, or so nearly resembling that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such manner as the registrar requires.

(2) If a company, through inadvertence or otherwise, is, without such consent as aforesaid, registered by a name identical with that by which a company in existence is previously registered, or so nearly resembling it as to be calculated to deceive, the first-mentioned company may, with the sanction of the registrar, change its name.

(3) Except with the previous consent of the Government given in writing under the hand of one of the Secretaries to the Government, no company shall be registered by a name which—

(*a*) contains any of the following words, namely, "Maharaja," "Royal," "State," or any word which suggests or is calculated to suggest the patronage of His Highness the Maharaja or any connection with His Highness's Government; or

(*b*) contains the word "Municipal" or any word which suggests or is calculated to suggest connection with any municipality or other local authority:

Provided that, notwithstanding anything contained in section 290, the Government may, at any time, after serving a notice in writing giving reasons and after hearing objections, if any, thereto, pass an order requiring any company registered, either before or after the passing of this Act under any enactment for the time being in force, with a name containing such words, to alter or omit those words, within a period of three months from the date on which the order is communicated to the company.

(4) Any company may, by special resolution and subject to the approval of the Government signified in

writing, under the hand of one of the Secretaries to the Government, change its name.

(5) Where a company changes its name, the registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of incorporation altered to meet the circumstances of the case. On the issue of such a certificate, the change of name shall be complete.

(6) The change of name shall not affect any rights or obligations of the company or render defective any legal proceedings by or against the company; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

Alteration of memorandum.

12. (1) Subject to the provisions of this Act a company may, by special resolution, alter the provisions of its memorandum with respect to the objects of the company, so far as may be required to enable it—

(*a*) to carry on its business more economically or more efficiently; or

(*b*) to attain its main purpose by new or improved means; or

(*c*) to enlarge or change the local area of its operations; or

(*d*) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company; or

(*e*) to restrict or abandon any of the objects specified in the memorandum; or

(*f*) to sell or dispose of the whole or any part of the undertaking of the company; or

(*g*) to amalgamate with any other company or body of persons.

(2) The alteration shall not take effect until and except in so far as it is confirmed by the Court on petition.

(3) Before confirming the alteration, the Court must be satisfied—

(*a*) that sufficient notice has been given to every holder of debentures of the company, and to any persons or class of persons whose interests will, in the opinion of the Court, be affected by the alteration; and

(*b*) that, with respect to every creditor who in the opinion of the Court is entitled to

object, and who signifies his objection in manner directed by the Court, either his consent to the alteration has been obtained or his debt or claim has been discharged or has determined, or has been secured to the satisfaction of the Court:

Provided that the Court may, in the case of any person or class, for special reasons, dispense with the notice required by this section.

Power of Court when confirming alteration.

13. The Court may make an order confirming the alteration either wholly or in part, and on such terms and conditions as it thinks fit, and may make such order as to costs as it thinks proper.

Exercise of discretion by Court.

14. The Court shall, in exercising its discretion under sections 12 and 13, have regard to the rights and interests of the members of the company or of any class of them, as well as to the rights and interests of the creditors, and may, if it thinks fit, adjourn the proceedings in order that an arrangement may be made to the satisfaction of the Court for the purchase of the interests of dissentient members; and may give such directions and make such orders as it may think expedient for facilitating or carrying into effect any such arrangement:

Provided that no part of the capital of the company may be expended in any such purchase.

Procedure on confirmation of the alteration.

15. (1) A certified copy of the order confirming the alteration, together with a printed copy of the memorandum as altered, shall, within three months from the date of the order, be filed by the company with the registrar, and he shall register the same, and shall certify the registration under his hand, and the certificate shall be conclusive evidence that all the requirements of this Act with respect to the alteration and the confirmation thereof have been complied with, and thenceforth the memorandum so altered shall be the memorandum of the company.

(2) The Court may by order at any time extend the time for the filing of documents with the registrar under this section for such period as the Court thinks proper.

Effect of failure to register within three months.

16. No such alteration shall have any operation until [illegible]tration thereof has been duly effected in accordance [illegible] provisions of section 15, and if such registration [illegible] within three months next after the date of [illegible]urt confirming the alteration, or within [illegible] may be allowed by the Court in

accordance with the provisions of section 15, such alteration and order and all proceedings connected therewith shall, at the expiration of such period of three months or such further time, as the case may be, become absolutely null and void:

Provided that the Court may, on sufficient cause shown, revive the order on application made within a further period of one month.

ARTICLES OF ASSOCIATION.

Registration of articles.

17. (1) There may, in the case of a company limited by shares, and there shall, in the case of a company limited by guarantee or unlimited, be registered with the memorandum, articles of association signed by the subscribers to the memorandum and prescribing regulations for the company.

(2) Articles of association may adopt all or any of the regulations contained in Table A in the First Schedule and shall in any event be deemed to contain regulations identical with or the same effect as regulation 56, regulation 66, regulation 71, regulations 78, 79, 80, 81 and 82, regulation 95, regulation 97, regulation 105, regulation 107 and regulations 112, 113, 114, 115 and 116 contained in that Table:

Provided that regulations 78, 79, 80, 81 and 82 shall not be deemed to be included in the articles of any private company except a private company which is the subsidiary company of a public company:

Provided further that regulation 107 shall be deemed to require that a statement of the reasons why of the whole amount of any item of expenditure which may in fairness be distributed over several years, only a portion thereof is charged against the income of the year, shall be shown in the profit and loss account, unless the company in general meeting shall determine otherwise.

(3) In the case of an unlimited company or a company limited by guarantee, the articles, if the company has a share capital, shall state the amount of share capital with which the company proposes to be registered.

(4) In the case of an unlimited company or a company limited by guarantee, if the company has no share capital, the articles shall state the number of members with which the company proposes to [illegible] for the purpose of enabling the registrar [illegible] fees payable on registration.

18. In the case of a company limited by shares and registered after the commencement of this Act, if articles are not registered, or if articles are registered, in so far as the articles do not exclude or modify the regulations in Table A in the First Schedule, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent as if they were contained in duly registered articles. Application of Table A.

19. Articles shall— Form and signature of articles.

(*a*) be printed;

(*b*) be divided into paragraphs numbered consecutively; and

(*c*) be signed by each subscriber of the memorandum of association (who shall add his address and description) in the presence of at least one witness who must attest the signature.

20. Subject to the provisions of this Act and to the conditions contained in its memorandum, a company may by special resolution alter or add to its articles, and any alteration or addition so made shall be as valid as if originally contained in the articles, and be subject in like manner to alteration by special resolution. Alteration of articles by special resolution.

20-A. Notwithstanding anything in the memorandum or articles of a company, no member of the company shall be bound by an alteration made in the memorandum or articles after the date on which he became a member if and so far as the alteration requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made, or in any way increases his liability as at that date to contribute to the share capital of, or otherwise to pay money to, the company: Effect of alteration in memorandum or articles.

Provided that this section shall not apply in any case where the member agrees in writing either before or after the alteration is made to be bound thereby.

General Provisions.

21. (1) The memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by each member and contained a covenant on the part of each member, his heirs and legal representatives, to observe all the provisions of the memorandum and of the articles, subject to the provisions of this Act. Effect of memorandum and articles.

(2) All money payable by any member to the company under the memorandum or articles shall be a debt due from him to the company.

Registration of memorandum and articles.

22. The memorandum and the articles (if any), shall be filed with the registrar who shall retain and register them.

Effect of registration.

23. (1) On the registration of the memorandum of a company, the registrar shall certify under his hand that the company is incorporated, and in the case of a limited company that the company is limited.

(2) From the date of incorporation mentioned in the certificate of incorporation, the subscribers of the memorandum, together with such other persons as may from time to time become members of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession and a common seal, but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up as is mentioned in this Act.

Conclusiveness of certificate of incorporation.

24. (1) A certificate of incorporation given by the registrar in respect of any association shall be conclusive evidence that all the requirements of this Act in respect of registration and of matters precedent and incidental thereto have been complied with, and that the association is a company authorized to be registered and duly registered under this Act.

(2) A declaration by an advocate, entitled to appear before the High Court, who is engaged in the formation of a company, or by a person named in the articles as a director, manager or secretary of the company, of compliance with all or any of the said requirements shall be field with the registrar, and the registrar may accept such a declaration as sufficient evidence of compliance.

Copies of memorandum and articles to be given to members.

25. (1) Every company shall send to every member, at his request and within fourteen days thereof, on payment of one rupee or such less sum as the company may prescribe, a copy of the memorandum and of the articles (if any).

(2) If a company makes default in complying with the requirements of this section, it shall be liable for each offence to a fine not exceeding ten rupees.

25-A. (1) Where an alteration is made in the memorandum or articles of a company, every copy of the memorandum or articles issued after the date of the alteration shall be in accordance with the alteration.

Alteration of memorandum or articles to be noted in every copy.

(2) If, where any such alteration has been made, the company at any time after the date of the alteration issues any copies of the memorandum or articles which are not in accordance with the alteration, it shall be liable to a fine not exceeding ten rupees for each copy so issued and every officer of the company who is knowingly and wilfully in default shall be liable to the like penalty.

ASSOCIATIONS NOT FOR PROFIT.

26. (1) Where it is proved to the satisfaction of the Government that an association capable of being formed as a limited company has been or is about to be formed for promoting commerce, art, science, charity or any other useful object, and applies or intends to apply its profits (if any) or other income in promoting its objects, and to prohibit the payment of any dividend to its members, the Government may, by licence under the hand of one of its Secretaries, direct that the association be registered as a company with limited liability, without the addition of the word "Limited" to its name, and the association may be registered accordingly.

Power to dispense with "Limited" in name of charitable and other companies.

(2) A licence by the Government under this section may be granted on such conditions and subject to such regulations as the Government thinks fit, and those conditions and regulations shall be binding on the association, and shall, if the Government so directs, be inserted in the memorandum and articles, or in one of those documents.

(3) The association shall on registration enjoy all the privileges of limited companies, and be subject to all their obligations, except those of using the word "Limited" as any part of its name, and of publishing its name, and of sending lists of members to the registrar.

(4) A licence under this section may at any time be revoked by the Government, and upon revocation the registrar shall enter the word "Limited" at the end of the name of the association upon the register, and the association shall cease to enjoy the exemptions and privileges granted by this section:

Provided that, before a licence is so revoked, the Government shall give to the association notice in

writing of its intention, and shall afford the association an opportunity of submitting a representation in opposition to the revocation.

COMPANIES LIMITED BY GUARANTEE.

Provision as to companies limited by guarantee.

27. (1) In the case of a company limited by guarantee and not having a share capital, and registered after the commencement of this Act, every provision in the memorandum or articles or in any resolution of the company purporting to give any person a right to participate in the divisible profits of the company otherwise than as a member shall be void.

(2) For the purpose of the provisions of this Act relating to the memorandum of a company limited by guarantee and of this section, every provision in the memorandum or articles, or in any resolution, of any company limited by guarantee and registered after the commencement of this Act, purporting to divide the undertaking of the company into shares or interests, shall be treated as a provision for a share capital, notwithstanding that the nominal amount or number of the shares or interests is not specified thereby.

PART III.

Share Capital, Registration of Unlimited Company as Limited, and Unlimited Liability of Directors.

DISTRIBUTION OF SHARE CAPITAL.

Nature of shares.

28. (1) The shares or other interest of any member in a company shall be movable property, transferable in manner provided by the articles of the company.

(2) Each share in a company having a share capital shall be distinguished by its appropriate number.

Certificate of shares or stock.

29. A certificate, under the common seal of the company, specifying any shares or stock held by any member, shall be *prima facie* evidence of the title of the member to the shares or stock therein specified.

Definition of "member."

30. (1) The subscribers of the memorandum of a company shall be deemed to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) Every other person who agrees to become a member of a company and whose name is entered in its register of members, shall be a member of the company.

31. (1) Every company shall keep in one or more books a register of its members, and enter therein the following particulars:— Register of members.

(*i*) the names and addresses, and the occupations, if any, of the members, and, in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and of the amount paid or agreed to be considered as paid on the shares of each member;

(*ii*) the date at which each person was entered in the register as a member;

(*iii*) the date at which any person ceased to be a member.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

31-A. (1) Every company having more than fifty members shall, unless the register of members is in such a form as to constitute in itself an index, keep an index of the names of the members of the company and shall within fourteen days after the date on which any alteration is made in the register of members make any necessary alteration in the index. Index of members of company.

(2) The index, which may be in the form of a card index, shall in respect of each member contain a sufficient indication to enable the account of that member in the register to be readily found.

(3) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

32. (1) Every company having a share capital shall within eighteen months from its incorporation and thereafter once at least in every year make a list of all persons who, on the day of the first or only ordinary general meeting in the year, are members of the company, and of all persons who have ceased to be members since the date of the last return or (in the case of the first return) of the incorporation of the company. Annual list of members and summary.

(2) The list shall state the names, addresses and occupations of all the past and present members therein mentioned, and the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return, or (in the case of the first return) of the incorporation of the company by persons who are still members and persons who have ceased to be members respectively and the dates of registration of the transfers, and shall contain a summary distinguishing between shares issued for cash and shares issued as fully or partly paid up otherwise than in cash, and specifying the following particulars:—

(*a*) the amount of the share capital of the company, and the number of the shares into which it is divided;

(*b*) the number of shares taken from the commencement of the company upto the date of the return;

(*c*) the amount called upon each share;

(*d*) the total amount of calls received;

(*e*) the total amount of calls unpaid;

(*f*) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any shares or debentures, since the date of the last return or so much thereof as has not been written off at the date of the return;

(*g*) the total number of shares forfeited;

(*h*) the total amount of shares or stock for which share-warrants are outstanding at the date of the return:

(*i*) the total amount of share-warrants issued and surrendered respectively since the date of the last return;

(*k*) the number of shares or amount of stock comprised in each share-warrant;

(*l*) the names and addresses of the persons who at the date of the return are the directors of the company and of the persons (if any) who at the said date are the managers or managing agents of the company, and the changes in the personnel of the directors, managers and managing agents since the

last return together with the dates on which they took place; and

(*m*) the total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act.

(3) The above list and summary shall be contained in a separate part of the register of members and shall be completed within twenty-one days after the day of the first or only ordinary general meeting in the year, and the company shall forthwith file with the registrar a copy signed by a director or by the manager or the secretary of the company, together with the certificate from such director, manager or secretary that the list and summary state the facts as they stood on the day aforesaid.

(4) A private company shall send with the annual return required by sub-section (1) a certificate signed by a director or other officer of the company that the company has not, since the date of the last return or, in the case of a first return, since the date of the incorporation of the company, issued any invitation to the public to subscribe for any shares or debentures of the company, and where the annual return discloses the fact that the number of members of the company exceeds fifty, also a certificate so signed that the excess consists wholly of persons who, under sub-clause (*b*) of clause 13 of sub-section (1) of section 2, are not to be included in reckoning the number of fifty.

(5) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Trusts not to be entered on register.

33. No notice of any trust, expressed, implied or constructive, shall be entered on the register, or be receivable by the registrar.

Transfer of shares.

34. (1) An application for the registration of the transfer of shares in a company may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and subject to the provisions of sub-section (7) the company shall, unless objection is made by the transferee

within two weeks from the date of receipt of the notice, enter in its register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

(2) For the purposes of sub-section (1) notice to the transferee shall be deemed to have been duly given if despatched by prepaid post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

(3) It shall not be lawful for the company to register a transfer of shares in or debentures of the company unless the proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the company along with the scrip:

Provided that, where it is proved to the satisfaction of the directors of the company that an instrument of transfer signed by the transferor and transferee has been lost, the company may, if the directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the directors may think fit.

(4) If a company refuses to register the transfer of any shares or debentures, the company shall, within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

(5) If default is made in complying with sub-section (4) of this section, the company and every director, manager, secretary or other officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

(6) Nothing in sub-section (3) shall prejudice any power of the company to register as share-holder or debenture-holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.

(7) Nothing in this section shall prejudice any power of the company under its articles to refuse to register the transfer of any shares.

Transfer by legal representative.

35. A transfer of the share or other interest of a deceased member of a company made by his legal representative shall, although the legal representative is not

himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Inspection of register of members.

36. (1) The register of members, commencing from the date of the registration of the company and the index of members shall be kept at the registered office of the company, and, except when closed under the provisions of this Act, shall during business hours (subject to such reasonable restrictions, as the company in general meeting may impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member gratis, and to the inspection of any other person on payment of one rupee, or such less sum as the company may prescribe, for each inspection. Any such member or other person may make extracts therefrom.

(2) Any member or other person may require a copy of the register, or of any part thereof, or of the list and summary required by this Act, or any part thereof, on payment of six annas for every hundred words or fractional part thereof required to be copied, and the company shall cause any copy so required by any person to be sent to that person within a period of ten days, exclusive of non-working days and days on which the transfer books of the company are closed, commencing on the day next after the day on which the requirement is received by the company.

(3) If any inspection required under this section is refused or if any copy required under this section is not sent within the proper period, the company and every officer of the company who is in default shall be liable in respect of each offence to a fine not exceeding twenty rupees and to a further fine not exceeding twenty rupees for every day during which the refusal or default continues and the Court may by an order compel an immediate inspection of the register and index or direct that copies required shall be sent to the persons requiring them.

Power to close register.

37. A company may, on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situate, close the register of members for any time or times not exceeding in the whole forty-five days in each year, but not exceeding thirty days at a time.

Power of Court to rectify register.

38. (1) If—

(*a*) the name of any person is fraudulently or without sufficient cause entered in or omitted from the register of members of a company; or

(*b*) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member,

the person aggrieved, or any member of the company, or the company, may apply to the Court for rectification of the register.

(2) The Court may either refuse the applicatfon or, may order rectification of the register and payment by the company of any damages sustained by any party aggrieved, and may make such order as to costs as it in its discretion thinks fit.

(3) On any application under this section the Court may decide any question relating to the title of any person who is a party to the application to have his name entered in or omitted from the register, whether the question arises between members or alleged members, or between members or alleged members on the one hand and the company on the other hand; and generally may decide any question necessary or expedient to be decided for rectification of the register:

Provided that the Court may direct an issue to be tried in which any question of law may be raised; and an appeal from the decision on such an issue shall lie in the manner directed by the Code of Civil Procedure, 1911, on the grounds mentioned in section 100 of that Code.

Notice to registrar of rectification of register.

39. In the case of a company required by the Act to file a list of its members with the registrar, the Court, when making an order for rectification of the register, shall, by its order, direct notice of the rectification to be filed with the registrar, within a fortnight from the date of the completion of the order.

Register to be evidence.

40. The register of members shall be *prima facie* evidence of any matters by this Act directed or authorized to be inserted therein.

Issue of share-warrants to bearer.

43. (1) A company limited by shares, if so authorized by its articles, may, with respect to any fully paid-up shares, or to stock, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the shares or stock therein specified, and may provide, by coupons or otherwise, for the payment of the future

dividends on the shares of stock included in the warrant, in this Act termed a share-warrant.

(2) Nothing in this section shall apply to a private company.

Effect of share-warrant.

44. A share-warrant shall entitle the bearer thereof to the shares or stock therein specified, and the shares or stock may be transferred by delivery of the warrant.

Registration of name of bearer of share-warrant.

45. The bearer of a share-warrant shall, subject to the articles of the company, be entitled, on surrendering it for cancellation, to have his name entered as a member in the register of members; and the company shall be responsible for any loss incurred by any person by reason of the company entering in its register the name of a bearer of a share-warrant in respect of the shares or stock therein specified without the warrant being surrendered and cancelled.

Position of bearer of share-warrant.

46. The bearer of a share-warrant may, if the articles of the company so provide, be deemed to be a member of the company within the meaning of this Act, either to the full extent or for any purposes defined in the articles, except that he shall not be qualified in respect of the shares or stock specified in the warrant for being a director or manager of the company, in cases where such a qualification is required by the articles.

Entries in register when share-warrant issued.

47. (1) On the issue of a share-warrant, the company shall strike out of its register of members the name of the member then entered therein as holding the shares or stock specified in the warrant as if he had ceased to be a member, and shall enter in the register the following particulars, namely :—

(*i*) the fact of the issue of the warrant;

(*ii*) a statement of the shares or stock included in the warrant, distinguishing each share by its number; and

(*iii*) the date of the issue of the warrant.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully continues or permits the default shall be liable to the like penalty.

Surrender of share-warrant.

48. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Act to be entered in the register of members; and, on the surrender, the date of the surrender

shall be entered as if it were the date at which a person ceased to be a member.

Power of company to arrange for different amounts being paid on shares.

49. A company, if so authorized by its articles, may do any one or more of the following things, namely :—

(1) make arrangements on the issue of shares for a difference between the shareholders in the amounts and times of payments of calls on their shares ;

(2) accept from any member who assents thereto the whole or a part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up ;

(3) pay dividend in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

Power of company limited by shares to alter its share capital.

50. (1) A company limited by shares, if so authorized by its articles, may alter the conditions of its memorandum as follows (that is to say), it may—

(*a*) increase its share capital by the issue of new shares of such amount as it thinks expedient ;

(*b*) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares ;

(*c*) convert all or any of its paid-up shares into stock and re-convert that stock into paid-up shares of any denomination ;

(*d*) sub-divide its shares or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived ;

(*e*) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

(2) The powers conferred by this section must be exercised by the company in general meeting.

(3) A cancellation of shares in pursuance of this section shall not be deemed to be a reduction of share capital within the meaning of this Act.

(4) The company shall file with the registrar notice of the exercise of any power referred to in clause (*d*) or clause (*e*) of sub-section (1) within fifteen days from the exercise thereof.

Notice to registrar of consolidation of share capital, conversion of share into stock, etc.

51. (1) Where a company having a share capital has consolidated and divided its share capital into shares of larger amount than its existing shares or converted any of its shares into stock, or re-converted stock into shares, it shall, within fifteen days of the consolidation and division, conversion or re-conversion, file notice with the registrar of the same, specifying the share consolidated and divided, or converted, or the stock re-converted.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Effect of conversion of shares into stock.

52. Where a company having a share capital has converted any of its shares into stock, and filed notice of the conversion with the registrar, all the provisions of this Act which are applicable to shares only shall cease as to so much of the share capital as is converted into stock; and the register of members of the company, and the list of members to be filed with the registrar, shall show the amount of stock held by each member instead of the amount of shares and the particulars relating to shares hereinbefore required by this Act.

Notice of increase of share capital or of members.

53. (1) Where a company having a share capital, whether its shares have or have not been converted into stock, has increased its share capital beyond the registered capital, and where a company not having a share capital has increased the number of its members beyond the registered number, it shall file with the registrar, in the case of an increase of share capital, within fifteen days after the passing of the resolution authorizing the increase, and in the case of an increase of members within fifteen days after the increase was resolved on or took place, notice of the increase of capital or members, and the registrar shall record the increase.

(2) The notice to be given as aforsaid shall include particulars of the classes of shares affected and the conditions (if any) subject to which the new shares are to be issued.

(3) If a company makes a default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues, and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Reorganization of share capital.

54. (1) A company limited by shares may, by special resolution confirmed by an order of the Court, modify the conditions contained in its memorandum so as to reorganize its share capital, whether by the consolidation of shares of different classes or by the division of its shares into shares of different classes :

Provided that no preference or special privilege attached to or belonging to any class of shares shall be interfered with except by resolution passed by a majority in number of shareholders of that class holding three-fourths of the share capital of that class, and every resolution so passed shall bind all shareholders of the class.

(2) Where an order is made under this section, a certified copy thereof shall be filed with the registrar within twenty-one days after the making of the order or within such further time as the Court may allow, and the resolution shall not take effect until such a copy has been so filed.

Reduction of Share Capital.

Restrictions on purchase by company or loans by company for purchase of its own shares.

54-A. (1) No company limited by shares shall have power to buy its own shares or the shares of a public company of which it is a subsidiary company unless the consequent reduction of capital is effected and sanctioned in the manner provided by sections 55 to 66.

(2) No company limited by shares other than a private company, not being a subsidiary company of a public company, shall give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the company :

Provided that nothing in this section shall be taken to prohibit, where the lending of money is part of the ordinary business of a company, the lending of money by the company in the ordinary course of its business.

(3) If a company acts in contravention of this section, the company and every officer of the company

who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees.

(4) Nothing in this section shall affect the right of a company to redeem any shares issued under section 105-B.

55. (1) Subject to confirmation by the Court, a company limited by shares, if so authorized by its articles, may by special resolution reduce its share capital in any way, and in particular (without prejudice to the generality of the foregoing power) may— Reduction of share capital.

(*a*) extinguish or reduce the liability on any of its shares in respect of share capital not paid up ; or

(*b*) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets ; or

(*c*) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excees of the wants of the company ;

and may, if and so far as is necessary, alter its memorandum by reducing the amount of its share capital and of its shares accordingly.

(2) A special resolution under this section is in this Act called a resolution for reducing share capital.

56. Where a company has passed a resolution for reducing share capital, it may apply by petition to the Court for an order confirming the reduction. Application to Court for confirming order.

57. On and from the passing by a company of a resolution for reducing share capital, or where the reduction does not involve either the diminution of any liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, then on and from the making of the order confirming the reduction, the company shall add to its name, until such date as the Court may fix, the words "and reduced" as the last words in its name, and those words shall, until that date, be deemed to be part of the name of the company : Addition to name of company of "and reduced."

Provided that, where the reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any

paid-up share capital, the Court may, if it thinks expedient, dispense altogether with the addition of the words "and reduced."

Objections by creditors, and settlement of list of objecting creditors.

58. (1) Where the proposed reduction of share capital involves either diminution of liability in respect of unpaid share capital, or the payment to any shareholder of any paid-up share capital, and in any other case if the Court so directs, every creditor of the company who at the date fixed by the Court is entitled to any debt or claim which, if that date where the commencement of the winding up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

(2) The Court shall settle a list of creditors so entitled to object, and for that purpose shall ascertain, as far as possible without requiring an application from any creditor, the names of those creditors and the nature and amount of their debts or claims, and may publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

Power to dispense with consent of creditor on security being given for his debt.

59. Where a creditor entered on the list of creditors whose debt or claim is not discharged or determined does not consent to the reduction, the Court may, if it thinks fit, dispense with the consent of that creditor, on the company securing payment of his debt or claim by appropriating, as the Court may direct, the following amount (that is to say),—

(*i*) if the company admits the full amount of his debt or claim, or, though not admitting it, is willing to provide for it, then the full amount of the debt or claim;

(*ii*) if the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Court after the like inquiry and adjudication as if the company were being wound up by the Court.

Order confirming reduction.

60. The Court, if satisfied, with respect to every creditor of the company who under this Act is entitled to object to the reduction, that either his consent to the reduction has been obtained or his debt or claim has been discharged or has been determined or has

been secured, may make an order confirming the reduction on such terms and conditions as it thinks fit.

Registration of order and minute of reduction.

61. (1) The registrar on production to him of an order of the Court confirming the reduction of the share capital of a company, and on the filing with him of a certified copy of the order and of a minute (approved by the Court) showing, with respect to the share capital of the company as altered by the order, the amount of the share capital, the number of shares into which it is to be divided and the amount of each share, and the amount (if any) at the date of the registration deemed to be paid up on each share, shall register the order and minute.

(2) On the registration, and not before, the resolution for reducing share capital as confirmed by the order so registered shall take effect.

(3) Notice of the registration shall be published in such manner as the Court may direct.

(4) The registrar shall certify under his hand the registration of the order and minute, and his certificate shall be conclusive evidence that all the requirements of this Act with respect to reduction of share capital have been complied with, and that the share capital of the company is such as is stated in the minute.

Minute to form part of memorandum.

62. (1) The minute when registered shall be deemed to be substituted for the corresponding part of the memorandum of the company, and shall be valid and alterable as if it had been originally contained therein, and shall be embodied in every copy of the memorandum issued after its registration.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made, and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Liability of members in respect of reduced shares.

63. (1) A member of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between the amount paid, or (as the case may be) the reduced amount, if any, which is to be deemed to have been paid, on the share and the amount of the share as fixed by the minute:

Provided that, if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings for

reduction, or of their nature and effect with respect to his claim not entered on the list of creditors, and after the reduction, the company is unable, within the meaning of the provisions of this Act with respect to winding up by the Court, to pay the amount of his debt or claim, then—

(*i*) every person who was a member of the company at the date of the registration of the order for reduction and minute, shall be liable to contribute for the payment of that debt, or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before that registration; and

(*ii*) if the company is wound up, the Court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding up.

(2) Nothing in this section shall affect the rights of the contributories among themselves.

Penalty on concealment of name of creditor.

64. If any officer of the company wilfully conceals the name of any creditor entitled to object to the reduction or wilfully misrepresents the nature or amount of the debt or claim of any creditor, or if any officer of the company abets any such concealment or misrepresentation as aforesaid, every such officer shall be punishable with imprisonment which may extend to one year, or with fine, or with both.

Publication of reasons for reduction.

65. In any case of reduction of share capital, the Court may require the company to publish as the Court directs the reasons for reduction, or such other information in regard thereto as the Court may think expedient with a view to give proper information to the public, and, if the Court thinks fit, the causes which led to the reduction.

Increase and reduction of share capital in case of a company limited by guarantee having a share capital.

66. A company limited by guarantee and registered after the commencement of this Act may, if it has a share capital and is so authorized by its articles, increase or reduce its share capital in the same manner and subject to the same conditions in and subject to which a company

limited by shares may increase or reduce its share capital under the provisions of this Act.

VARIATION OF SHAREHOLDERS' RIGHTS.

Rights of holders of special classes of shares.

66-A. (1) If in the case of a company, the share capital of which is divided into different classes of shares, provision is made by the memorandum or articles for authorizing the variation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision the rights attached to any such class of shares are at any time varied, the holders of not less in the aggregate than ten per cent of the issued shares of that class, being persons who did not consent to or vote in favour of the resolution for the variation, may apply to the Court to have the variation cancelled, and where any such application is made the variation shall not have effect unless and until it is confirmed by the Court.

(2) An application under this section must be made within fourteen days after the date on which the consent was given or the resolution was passed, as the case may be, and may be made on behalf of the shareholders entitled to make the application by such one or more of their number as they may appoint in writing for the purpose.

(3) On any such application, the Court after hearing the applicant and any other persons who apply to the Court to be heard and appear to the Court to be interested in the application, may, if it is satisfied having regard to all the circumstances of the case that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation.

(4) The decision of the Court on any such application shall be final.

(5) The company shall within fifteen days after the service on the company of any order made on any such application forward a copy of the order to the registrar and, if default is made in complying with this provision, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(6) The expression 'variation' in this section includes 'abrogation' and the expression 'varied' shall be construed accordingly.

REGISTRATION OF UNLIMITED COMPANY AS LIMITED.

Registration of unlimited company as limited.

67. (1) Subject to the provisions of this section, any company registered as unlimited may register under this Act as limited or any company already registered as a limited company may re-register under this Act, but the registration of an unlimited company as a limited company shall not affect any debts, liabilities, obligations or contracts incurred or entered into by, to, with or on behalf of, the company before the registration, and those debts, liabilities, obligations and contracts may be enforced in manner provided by Part VIII of this Act in the case of a company registered in pursuance of that Part.

(2) On registration in pursuance of this section, the registrar shall close the former registration of the company, and may dispense with the delivery to him of copies of any documents with copies of which he was furnished on the occasion of the original registration of the company; but, save as aforesaid, the registration shall take place in the same manner and shall have effect as if it were the first registration of the company under this Act.

Power of unlimited company to provide for reserve share capital on re-registration.

68. An unlimited company having a share capital may, by its resolution for registration as a limited company in pursuance of this Act, do either or both of the following things, namely:—

(*a*) increase the nominal amount of its share capital by increasing the nominal amount of each of its shares, but subject to the condition that no part of the amount by which its capital is so increased shall be capable of being called up except in the event and for the purposes of the company being wound up;

(*b*) provide that a specified portion of its uncalled share capital shall not be capable of being called up except in the event and for the purposes of the company being wound up.

RESERVE LIABILITY OF LIMITED COMPANY.

Reserve liability of limited company.

69. A limited company may by special resolution determine that any portion of its share capital which has

not been already called up shall not be capable of being called up, except in the event and for the purposes of the company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in the event and for the purposes aforesaid.

UNLIMITED LIABILITY OF DIRECTORS.

70. (1) In a limited company the liability of the directors or of any director may, if so provided by the memorandum, be unlimited. Limited company may have directors with unlimited liability.

(2) In a limited company in which the liability of any director is unlimited, the directors of the company (if any) and the member who proposes a person for election or appointment to the office of director shall add to that proposal a statement that the liability of the person holding that office will be unlimited and the promoters and officers of the company, or one of them shall, before the person accepts the office or acts therein, give him notice in writing that his liability will be unlimited.

(3) If any director or proposer makes default in adding such a statement, or if any promoter or officer of the company makes default in giving such a notice, he shall be liable to a fine not exceeding one thousand rupees and shall also be liable for any damage which the person so elected or appointed may sustain from the default, but the liability of the person elected or appointed shall not be affected by the default.

71. (1) A limited company, if so authorized by its articles may, by special resolution, alter its memorandum so as to render unlimited the liability of its directors or of any director. Special resolution of limited company making liability of directors unlimited.

(2) Upon the passing of any such special resolution, the provisions thereof shall be as valid as if they had been originally contained in the memorandum.

PART IV.

Management and Administration.

OFFICE AND NAME.

72. (1) A company shall, as from the day on which it begins to carry on business, or as from the twenty-eighth day after the date of its incorporation, whichever is the earlier, have a registered office to which all communications and notices may be addressed. Registered Office of Company.

(2) Notice of the situation of the registered office and of any change therein shall be given within twenty-eight days after the date of the incorporation of the company or of the change, as the case may be, to the registrar who shall record the same.

(3) The inclusion in the annual return of a company of the statement as to the address of its registered office shall not be taken to satisfy the obligation imposed by this section.

(4) If a company carries on business without complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which it so carries on business.

Publication of name by a limited company.

73. Every limited company—

(*a*) shall paint or affix, and keep painted or affixed, its name on the outside of every office or place in which its business is carried on, in a conspicuous position, in letters easily legible and in English and Kannada characters;

(*b*) shall have its name engraven in legible characters on its seal;

(*c*) shall have its name mentioned in legible English or Kannada characters in all bill-heads, and letter paper and in all notices, advertisements and other official publications of the company, and in all bills of exchange, hundis, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the company, and in all bills of parcels, invoices, receipts and letters of credit of the company.

Penalties for non-publication of name.

74. (1) If a limited company does not paint or affix, and keep painted or affixed, its name in manner directed by this Act, it shall be liable to a fine not exceeding fifty rupees for not so painting or affixing its name, and for every day during which its name is not so kept painted or affixed, and every officer of the company, who knowingly and wilfully authorizes or permits the default, shall be liable to the like penalty.

(2) If any officer of a limited company, or any person on its behalf, uses or authorizes the use of any seal purporting to be a seal of the company whereon its name is not so engraven as aforesaid, or issues or authorizes the issue of any bill-head, letter paper, notice, advertisement or other official publication of the company, or signs or authorizes to be signed on behalf of the company

any bill of exchange, hundi, promissory note, endorsement, cheque or order for money or goods, or issues or authorizes to be issued any bill of parcels, invoice, receipt or letter of credit of the company wherein its name is not mentioned in manner aforesaid, he shall be liable to a fine not exceeding five hundred rupees, and shall further be personally liable to the holder of any such bill of exchange, hundi, promissory note, cheque or order for money or goods, for the amount thereof, unless the same is duly paid by the company.

Publication of authorized as well as subscribed and paid-up capital.

75. (1) Where any notice, advertisement or other official publication of a company contains a statement of the amount of the authorized capital of the company, such notice, advertisement or other official publication shall also contain a statement, in an equally prominent position and in equally conspicuous characters, of the amount of the capital which has been subscribed and the amount paid up.

(2) Any company which makes default in complying with the requirements of this section and every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding one thousand rupees.

MEETINGS AND PROCEEDINGS.

Annual General Meeting.

76. (1) A general meeting of every company shall be held within eighteen months from the date of its incorporation and thereafter once at least in every calendar year and not more than fifteen months after the holding of the last preceding general meeting.

(2) If default is made in holding a meeting in accordance with the provisions of this section, the company and every director or manager of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees.

(3) If default is made as aforesaid, the Court may, on the application of any member of the company, call or direct the calling of a general meeting of the company.

Statutory meeting of company.

77. (1) Every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than one month nor more than six months from the date at which the company is entitled to commence business, hold a general meeting of the members of the company, which shall be called the statutory meeting.

(2) The directors shall, at least twenty-one days before the day on which the meeting is held, forward a report (in this Act referred to as the statutory report) certified as required by this section to every member of the company.

(3) The statutory report shall be certified by not less than two directors of the company or by the chairman of the directors if authorized in this behalf by the directors and shall state—

(*a*) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted;

(*b*) the total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid;

(*c*) an abstract of the receipts of the company and of the payments made thereout up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout, and particulars concerning the balance remaining in hand, and an account or estimate of the preliminary expenses of the company showing separately any commission or discount paid on the issue or sale of shares;

(*d*) the names, addresses and descriptions of the directors, auditors, managing agents and managers, if any, and secretary of the company and the changes, if any, which have occurred since the date of the incorporation;

(*e*) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification;

(*f*) the extent to which underwriting contracts, if any, have been carried out;

(*g*) the arrears, if any, due on calls from directors, managing agents and managers; and

(*h*) the particulars of any commission or brokerage paid or to be paid in connection with the issue or sale of shares to any director, managing agent or manager or a partner of the managing agent if the managing agent is a firm or, if the managing agent is a private company, a director thereof.

(4) The statutory report shall, so far as it relates to the shares allotted by the company, and to the cash received in respect of such shares and to the receipts and payments of the company, be certified as correct by the auditors of the company.

(5) The directors shall cause a copy of the statutory report, certified as required by this section to be delivered to the registrar for registration forthwith after the sending thereof to the members of the company.

(6) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

(7) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company or arising out of the statutory report, whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the articles may be passed.

(8) The meeting may adjourn from time to time, and at any adjourned meeting any resolution of which notice has been given in accordance with the articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

(9) If a petition is presented to the Court in manner provided by Part V for winding up the company on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of directing that the company be wound up, give directions for the statutory report to be filed or a meeting to be held, or make such other order as may be just.

(10) In the event of any default in complying with the provisions of this section every director of the company who is guilty of or who knowingly and wilfully

authorizes or permits the default shall be liable to a fine not exceeding five hundred rupees.

(11) This section shall not apply to a private company.

Calling of extraordinary general meeting on requisition.

78. (1) Notwithstanding anything in the articles, the directors of a company which has a share capital shall, on the requisition of the holders of not less than one-tenth of the issued share capital of the company upon which all calls or other sums then due have been paid, forthwith proceed to call an extraordinary general meeting of the company.

(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

(3) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists, or a majority of them in value, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.

(4) Any meeting called under this section by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by directors.

(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration for their services to such of the directors as were in default.

Provisions as to meetings and votes.

79. (1) The following provisions shall have effect with respect to meetings of a company other than a private company not being a subsidiary of a public company and the procedure thereat, notwithstanding any provision made in the articles of the company in this behalf:—

(*a*) a meeting of a company other than a meeting for the passing of a special resolution may be called by not less than fourteen days' notice in writing; but with the consent of all the

members entitled to receive notice of some particular meeting that meeting may be convened by such shorter notice and in such manner as those members may think fit;

(*b*) notice of the meeting of a company with a statement of the business to be transacted at the meeting shall be served on every member in the manner in which notices are required to be served by Table A and for the purpose of this clause the expression 'Table A' means that table as for the time being in force; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting;

(*c*) five members present in person or by proxy, or the chairman of the meeting, or any member or members holding not less than one-tenth of the issued capital which carries voting rights shall be entitled to demand a poll: Provided that in the case of a private company if not more than seven members are personally present, one member, and if more than seven members are personally present, two members shall be entitled to demand a poll;

(*d*) an instrument appointing a proxy, if in the form set out in regulation 67 of Table A, shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the articles; and

(*e*) any shareholder whose name is entered in the register of shareholders of the company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

(2) The following provisions shall have effect in so far as the articles of the company do not make other provision in that behalf:—

(*a*) two or more members holding not less than one-tenth of the total share capital paid-up or, if the company has not a share capital, not less than five per cent in number of the members of the company may call a meeting;

(*b*) in the case of a private company two members and in the case of any other company five members personally present shall be a quorum;

(c) any member elected by the members present at a meeting may be chairman thereof;

(d) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each hundred rupees of stock held by him, and in any other case every member shall have one vote;

(e) on a poll votes may be given either personally or by proxy;

(f) the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or an attorney duly authorized; and

(g) a proxy must be a member of the company.

(3) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or to conduct the meeting of the company in manner prescribed by the articles of this Act, the Court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Court thinks fit, and where any such order is given may give such ancillary or consequential directions as it thinks expedient, and any meeting called, held and conducted in accordance with any such order shall for all purposes be deemed to be a meeting of the company duly called, held and conducted.

Representation of companies at meetings of other companies of which they are members.

80. A company which is a member of another company may, by resolution of the directors, authorize any of its officials or any other person to act as its representative at any meeting of that other company, and the person so authorized shall be entitled to exercise the same powers on behalf of the company which he represents as if he were an individual shareholder of that other company.

Extraordinary and special resolution.

81. (1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members entitled to vote as are present in person or by proxy (where proxies are allowed) at a general meeting of which notice specifying

the intention to propose the resolution as an extraordinary resolution has been duly given.

(2) A resolution shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution has been duly given:

Provided that, if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given.

(3) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a declaration of the chairman on a show of hands that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(4) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a poll may be demanded.

(5) In a case where a poll is demanded, it may, in accordance with the articles, be taken in such manner as the chairman may direct; it may, if the chairman so directs, be taken at the meeting at which it is demanded.

(6) When a poll is demanded in accordance with this section, in computing the majority on the poll, reference shall be had to the number of votes to which each member is entitled by the articles of the company or under this Act.

(7) For the purposes of this section notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by the articles or under this Act.

Registration and copies of special and extraordinary resolutions.

82. (1) A copy of every special and extraordinary resolution shall, within fifteen days from the passing thereof be printed or typewritten and duly certified under the signature of an officer of the company and filed with the registrar who shall record the same.

(2) Where articles have been registered, a copy of every special resolution for the time being in force shall be embodied in or annexed to every copy of the articles issued after the date of the resolution.

(3) Where articles have not been registered, a copy of every special resolution shall be forwarded in print to any member at his request, on payment of one rupee or such less sum as the company may direct.

(4) If a company makes default in so filing with the registrar a copy of a special or extraordinary resolution, it shall be liable to a fine not exceeding twenty rupees for every day during which the default continues.

(5) If a company makes default in embodying in or annexing to a copy of its articles or in forwarding in print to a member, when required by this section, a copy of a special resolution, it shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(6) Every officer of a company who knowingly and wilfully authorizes or permits any default by the company in complying with the requirements of this section shall be liable to the like penalty as is imposed by this section on the company for that default.

Minutes of proceedings of general meetings and directors.

83. (1) Every company shall cause minutes of all proceedings of general meetings and of its directors to be entered in books kept for that purpose.

(2) Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

(3) Until the contrary is proved, every general meeting of the company or meeting of directors in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings had thereat to have been duly had, and all appointments of directors or liquidators shall be deemed to be valid.

(4) The books containing the minutes of proceedings of any general meeting of a company held after the commencement of this Act shall be kept at the registered office of the company and, shall during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose so that no less than two hours in each day be

allowed for inspection), be open to the inspection of any member without charge.

(5) Any member shall, at any time after seven days from the meeting, be entitled to be furnished within seven days after he has made a request in that behalf to the company with a copy of any minutes referred to in sub-section (4) at a charge not exceeding six annas for every hundred words.

(6) If any inspection required under sub-section (4) of this section is refused or, if any copy required under sub-section (5) of this section is not furnished within the time specified in sub-section (5), the company and every officer of the company who is knowingly and wilfully in default shall be liable in respect of each offence to a fine not exceeding twenty-five rupees and to a further fine to twenty-five rupees for every day during which the default continues.

(7) In the case of any such refusal or default, the Court may by order compel an immediate inspection of the books in respect of all proceedings of general meetings or direct that the copies required shall be sent to the persons requiring them.

DIRECTORS.

Directors obligatory.

83-A. (1) Every company shall have at least three directors.

(2) This section shall not apply to a private company, except a private company being a subsidiary company of a public company.

Appointment of directors.

83-B. (1) In default of and subject to any regulations in the articles of a company other than a private company—

(*i*) the subscribers of the memorandum shall be deemed to be the directors of the company until the first directors shall have been appointed;

(*ii*) the directors of the company shall be appointed by the members in general meeting; and

(*iii*) any casual vacancy occurring among the directors may be filled up by the directors, but the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director.

(2) Notwithstanding anything contained in the articles of a company other than a private company, not less than two-thirds of the whole number of directors shall be persons whose period of office is liable to determination at any time by retirement of directors in rotation :

Provided that nothing herein contained shall apply to a company incorporated before the commencement of this Act, where by virtue of the articles of the company the number of directors whose period of office is liable to determination at any time by retirement of directors in rotation falls below the two-thirds' proportion mentioned in this section.

Restrictions on appointment or advertisement of director.

84. (1) A person shall not be capable of being appointed director of a company by the articles, and shall not be named as a director or proposed director of a company in any prospectus issued by or on behalf of the company or in relation to any intended company or in any statement in lieu of prospectus filed by or on behalf of a company, unless before the registration of the articles or the publication of the prospectus, or the filing of the statement in lieu of prospectus, as the case may be, he has, by himself or by his agent authorized in writing—

(*i*) signed and filed with the registrar a consent in writing to act as such director ; and

(*ii*) save in the case of companies not having a share capital, either signed the memorandum for a number of shares not less than his qualification (if any), or taken from the company and paid or agreed to pay for his qualification shares, or signed and filed with the registrar a contract in writing to take from the company and pay for his qualification shares (if any), or made and filed with the registrar an affidavit to the effect that a number of shares, not less than his qualification (if any), are registered in his name.

(2) On the application for registration of the memorandum and articles, if any, of a company, the applicant shall file with the registrar a list of the persons who have consented to be directors of the company, and, if this list contains the name of any person who has not so consented, the applicant shall be liable to a fine not exceeding five hundred rupees.

(3) This section shall not apply to a private company or a company which was a private company before

becoming a public company nor to a prospectus issued by or on behalf of a company after the expiration of one year from the date at which the company is entitled to commence business.

Qualification of director.

85. (1) Without prejudice to the restrictions imposed by section 84, it shall be the duty of every director who is by the articles required to hold a specified share qualification, and who is not already qualified, to obtain his qualification, within two months after his appointment, or such shorter time as may be fixed by the articles.

(2) If after the expiration of the said period or shorter time, any unqualified person acts as a director of the company, he shall be liable to a fine not exceeding fifty rupees for every day between the expiration of the said period or shorter time and the last day on which it is proved that he acted as a director.

Validity of acts of directors.

86. The acts of a director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification:

Provided that nothing in this section shall be deemed to give validity to acts done by a director after the appointment of such director has been shown to be invalid.

Ineligibility of bankrupt to act as director.

86-A. (1) If any person being an undischarged insolvent acts as director or managing agent or manager of any company, he shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding one thousand rupees or to both.

(2) In this section the expression 'company' includes a company incorporated outside Mysore which has an established place of business within Mysore.

Assignment of office by directors.

86-B. If in the case of any company provision is made by the articles or by any agreement entered into between any person and the company for empowering a director or manager of the company to assign his office as such to another person, any assignment of office made in pursuance of the said provision shall, notwithstanding anything to the contrary contained in the said provision, be of no effect unless and until it is approved by a special resolution of the company:

Provided that the exercise by a director of a power to appoint an alternate or substitute director to act for him during an absence of not less than three months from the district in which meetings of the directors are ordinarily held, if done with the approval of the board of directors,

shall not be deemed to be an assignment of office within the meaning of this section:

Provided always that any such alternate or substitute director shall *ipso facto* vacate office if and when the appointer returns to the district in which meetings of the directors are ordinarily held.

Avoidance of provisions relieving liability of directors.

86-C. Save as provided in this section, any provision, whether contained in the articles of a company or in any contract with a company or otherwise, for exempting any director, manager or officer of the company or any person (whether an officer of the company or not) employed by the company as auditor from or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company shall be void:

Provided that—

(*a*) in relation to any such provision which is in force at the date of the commencement of this Act, this section shall have effect only on the expiration of a period of six months from that date;

(*b*) nothing in this section shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such provision was in force; and

(*c*) notwithstanding anything in this section, a company may, in pursuance of any such provision as aforesaid, indemnify any such director, manager, officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 281 of this Act in which relief is granted to him by the Court.

Loans to directors.

86-D. (1) No company shall make any loan or guarantee any loan made to a director of the company or to a firm of which such director is a partner or to a private company of which such director is a member or director.

(2) In the event of any contravention of sub-section (1), any director of the company who is a party to such contravention shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or in discharging the guarantee shall be liable jointly and severally for the amount unpaid.

(3) This section shall not apply to a private company (except a private company which is the subsidiary company of a public company) or to a banking company.

86-E. No director or firm of which such director is a partner or private company of which such director is a director shall, without the consent of the company in general meeting, hold any office of profit under the company except that of a managing director or manager or a legal or technical adviser or a banker: Director not to hold office of profit.

Provided that nothing herein contained shall apply to a director elected or appointed before the commencement of this Act in respect any office of profit under the company held by him at the commencement of this Act.

Explanation.—For the purposes of this section, the office of managing agent shall not be deemed to be an office of profit under the company.

86-F. Except with the consent of the directors, a director of the company, or the firm of which he is a partner or any partner of such firm, or the private company of which he is a member or director, shall not enter into any contracts for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract or agreement for such sale, purchase or supply entered into before the commencement of this Act. Sanction of directors necessary for certain contracts.

86-G. (1) The company may, by extraordinary resolution remove any director, whose period of office is liable to determination at any time by retirement of directors in rotation, before the expiration of his period of office and may, by ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected director. A director so removed shall not be reappointed a director by the board of directors. Removal of directors.

(2) This section shall not apply to directors elected or appointed before the commencement of this Act.

86-H. The directors of a public company or of a subsidiary company of a public company shall not, except with the consent of the company concerned in general meeting,— Restrictions on powers of directors.

(*a*) sell or dispose of the undertaking of the company;

(*b*) remit any debt due by a director.

Vacation of office of director.

86-I. (1) The office of a director shall be vacated if—

(*a*) he fails to obtain within the time specified in sub-section (1) of section 85 or, at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment, or

(*b*) he is found to be of unsound mind by a Court of competent jurisdiction, or

(*c*) he is adjudged an insolvent, or

(*d*) he fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made, or

(*e*) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or a banker, or

(*f*) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months whichever is the longer without leave of absence from the board of directors, or

(*g*) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of section 86-D, or

(*h*) he acts in contravention of section 86-F.

(2) Nothing contained in this section shall be deemed to preclude a company from providing by its articles that the office of director shall be vacated on grounds additional to those specified in this section.

Register of directors, managers and managing agents.

87. (1) Every company shall keep at its registered office a register of its directors, managers and managing agents containing with respect to each of them the following particulars, that is to say:—

(*a*) in the case of an individual, his present name in full, any former name or surname in full, his usual residential address, his nationality and, if that nationality is not the nationality of origin, his nationality of origin and his business occupation, if any, and if he holds any other directorship or directorships the particulars of such directorship or directorships;

(*b*) in the case of a corporation, its corporate name and registered or principal office; and the full name, address and nationality of each of its directors; and

(*c*) in the case of a firm, the full name, address and nationality of each partner, and the date on which each became a partner.

(2) The company shall within the periods respectively mentioned in this sub-section send to the registrar a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among its directors, managers or managing agents or in any of the particulars contained in the register.

The period within which the said return is to be sent shall be a period of fourteen days from the appointment of the first directors of the company and the period within which the said notification of a change is to be sent shall be fourteen days from the happening thereof.

(3) The register to be kept under this section shall, during business hours (subject to such reasonable restrictions as the company may by its articles or in general meeting impose, so that not less than two hours in each day be allowed for inspection) be open to the inspection of any member of the company without charge and of any other person on payment of one rupee or such less sum as the company may impose for each inspection.

(4) If any inspection required under this section is refused or if default is made in complying with sub-section (1) or sub-section (2) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of fifty rupees.

(5) In the case of any such refusal, the Court on application made by the person to whom inspection has been refused and upon notice to the company may by order direct an immediate inspection of the register.

MANAGING AGENTS.

Duration of appointment of managing agents.

87-A. (1) No managing agent shall, after the commencement of this Act, be appointed to hold office for a term of more than ten years at a time.

(2) Notwithstanding anything to the contrary contained in the articles of a company or in any agreement with the company a managing agent of a company appointed before the commencement of this Act shall

not continue to hold office after the expiry of ten years from the commencement of this Act unless then reappointed thereto or unless he has been reappointed thereto before the expiry of the said ten years.

(3) A managing agent whose office is terminated by virtue of the provisions of sub-section (2) shall upon such termination be entitled to a charge upon the assets of the company by way of indemnity for all liabilities or obligations properly incurred by the managing agent on behalf of the company subject to existing charges and encumbrances, if any.

(4) The termination of the office of a managing agent by virtue of the provisions of sub-section (2) shall not take effect until all moneys payable to the managing agent for loans made to or remuneration due up to the date of such termination from the company are paid.

(5) Nothing in this section shall apply to a private company which is not the subsidiary company of a public company.

Conditions applicable to managing agents.

87-B. Notwithstanding anything to the contrary contained in the articles of the company or in any agreement with the company—

(*a*) a company may, by resolution passed at a general meeting of which notice has been given to the managing agent in the same manner as to members of the company, remove a managing agent if he is convicted of an offence in relation to the affairs of the company punishable under the Indian Penal Code, and being under the provisions of the Code of Criminal Procedure, 1904, non-bailable; and for the purposes of this clause, where the managing agent is a firm or company an offence committed by a member of such firm or a director of or an officer holding a general power of attorney from such company shall be deemed to be an offence committed by such firm or company:

Provided that a managing agent shall not be liable to be removed under the provisions hereof if the offending member, director or officer as aforesaid is expelled or dismissed by the managing agent within thirty days from the date of his conviction or if his conviction is set aside on appeal;

(*b*) the office of a managing agent shall be vacated if he is adjudged insolvent.

(*c*) a transfer of his office by a managing agent shall be void unless approved by the company in general meeting:

Provided that in the case of a managing agent's firm a change in the partners thereof shall not be deemed to operate as a transfer of the office of managing agent, so long as one of the original partners shall continue to be a partner of the managing agent's firm. For the purpose of this proviso 'original partners' shall mean, in the case of managing agents appointed before the commencement of this Act, partners who were partners at the date of the commencement of this Act, and in the case of managing agents appointed after the commencement of this Act, partners who were partners at the date of the appointment;

(*d*) a charge or assignment of his remuneration or any part thereof effected by a managing agent shall be void as against the company;

(*e*) if a company is wound up either by the Court or voluntarily, any contract of management made with a managing agent shall be thereupon determined without prejudice, however, to the right of the managing agent to recover any moneys recoverable by the managing agent from the company:

Provided that where the Court finds that the winding up is due to the negligence or default of the managing agent himself the managing agent shall not be entitled to receive any compensation for the premature termination of his contract of management; and

(*f*) the appointment of a managing agent, the removal of a managing agent and any variation of a managing agent's contract of management made after the commencement of this Act, shall not be valid unless approved by the company by a resolution at a general meeting of the company notwithstanding anything to the contrary in section 86E:

Provided that nothing herein contained shall apply to the appointment of a company's first managing agent made prior to the issue of the prospectus or statement in lieu of prospectus where the terms of the appointment of such managing agent are there set forth.

Remuneration of managing agent.

87-C. (1) Where any company appoints a managing agent after the commencement of this Act, the remuneration of the managing agent shall be a sum based on a fixed percentage of the net annual profits of the company, with provision for a minimum payment in the case of absence of or inadequacy of profits, to be defined inthe agreement of management.

(2) Any stipulation for remuneration additional to or in any other form than the remuneration specified in sub-section (1) shall not be binding on the company unless sanctioned by a special resolution of the company.

(3) For the purposes of this section 'net profits' means the profits of the company calculated after allowing for all the usual working charges, interest on loans and advances, repairs and outgoings, depreciation, bounties or subsidies received from Government or from a public body, profits by way of premium on shares sold, profits on sale proceeds of forfeited shares, or profits from the sale of the whole or part of the undertaking of the company but without any deduction in respect of income-tax or super-tax, or any other tax or duty on income or revenue or for expenditure by way of interest on debentures or otherwise on capital account or on account of any sum which may be set aside in each year out of the profits for reserve or any other special fund.

(4) This section shall not apply to a private company except a private company which is the subsidiary company of a public company or to any company whose principal business is the business of insurance.

Loans to managing agents.

87-D. (1) No company shall make to a managing agent of the company or to any partner of the firm, if the managing agent is a firm, or to any member or director of the private company, if the managing agent is a private company, any loan out of moneys of the company or guarantee any loan made to a managing agent.

(2) Nothing contained in this section shall apply to any credit held by a managing agent in a current account maintained subject to limits previously approved by the board of directors by the company with the managing agent for the purposes of the company's business.

(3) In the event of any contravention of sub-section (1) any director of the company who is a party to the making of the loan or giving of the guarantee shall be punishable with fine which may extend to five hundred rupees, and if default is made in repayment of the loan or discharging the guarantee, shall be liable jointly and severally for the amount unpaid.

(4) Nothing in this section shall apply to a private company except a private company which is the subsidiary company of a public company.

(5) Except with the consent of three-fourths of the directors present and entitled to vote on the resolution,

a managing agent of the company, or the firm or which he is a partner, or any partner of such firm, or, if the managing agent is a private company, a member or director thereof, shall not enter into any contract for the sale, purchase or supply of goods and materials with the company, provided that nothing herein contained shall affect any such contract for such sale, purchase or supply entered into before the commencement of this Act.

Loans to or by companies, under the same management.

87-E. (1) No company incorporated under this Act, which is under the management of a managing agent shall make any loan to or guarantee any loan made to any company under management by the same managing agent, and no company shall after the expiry of six months from the commencement of this Act, except by way of renewal of an existing loan or guarantee given make any loan to or guarantee any loan made to any such company:

Provided that nothing herein contained shall apply to loans made or guarantees given by a company to or on behalf of a company under its own management or loans made by or to a company to only a subsidiary company thereof or to guarantees given by a company on behalf of a subsidiary company thereof.

(2) In the event of any contravention of the provisions of this section, any director or officer of the company making the loan or giving the guarantee who is knowingly and wilfully in default shall be liable to a fine not exceeding one thousand rupees and shall be jointly and severally liable for any loss incurred by the company in respect of such loan or guarantee.

Purchase by company of shares of company under the same managing agent.

87-F. A company other than an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not purchase shares, or debentures of any company under management by the same managing agent, unless the purchase has been previously approved by an unanimous decision of the board of directors of the purchasing company.

Restriction on managing agent's powers of management.

87-G. A managing agent shall not exercise in respect of any company of which he is a managing agent a power to issue debentures or, except with the authority of the directors, and within the limits fixed by them, a power to invest the funds of the company, and any delegation of any such power by a company to a managing agent shall be void.

Managing agent not to engage in business competing with the business of managed company.

87-H. A managing agent shall not on his own account engage in any business which is of the same nature as and directly competes with the business carried on by a company under his management or by a subsidiary company of such company.

Limit on number of directors appointed by managing agent.

87-I. Notwithstanding anything contained in the articles of a company other than a private company the directors, if any, appointed by the managing agent shall not exceed in number one-third of the whole number of directors.

CONTRACTS.

Form of contracts.

88. (1) Contracts on behalf of a company may be made as follows (that is to say) :—

(*i*) any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged ;

(*ii*) any contract which, if made between private persons, would by law be valid although made by parol only, and not reduced into writing, may be made by parol on behalf of the company by any peson acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law and shall bind the company and its successors and all other parties thereto, their heirs, or legal representatives, as the case may be.

Bills of exchange and promissory notes.

89. A bill of exchange, hundi or promissory note shall be deemed to have been made, drawn, accepted or endorsed on behalf of a company if made, drawn, accepted or endorsed in the name of, or by, or on behalf or on account of, the company by any person acting under its authority, express or implied.

Execution of deeds abroad.

90. A company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside Mysore ; and every deed signed by such attorney, on behalf of the company, and under his seal, where sealing is required,

shall bind the company, and have the same effect as if it were under its common seal.

91. (1) A company whose objects require or comprise the transaction of business beyond the limits of Mysore may, if authorized by its articles, have for use in any terrritory, district or place not situate in Mysore, an official seal, which shall be a facsimile of the common seal of the company, with the addition on its face of the name of every territory, district or place where it is to be used. Power for company to have official seal for use abroad.

(2) A company having such an official seal may, by writing under its common seal, authorize any person appointed for the purpose in any territory, district or place not situate in Mysore to affix the same to any deed or other document to which the company is party in that territory, district or place.

(3) The authority of any such agent shall, as between the company and any person dealing with the agent, continue during the period (if any) mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(4) The person affixing any such official seal shall, by writing under his hand, on the deed or other document to which the seal is affixed, certify the date and place of affixing the same.

(5) A deed or other document to which an official seal is duly affixed shall bind the company as if it had been sealed with the common seal of the company.

91-A. (1) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the company shall disclose the nature of his interest at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest or the making of the contract or arrangement: Disclosure of interest by director.

Provided that a general notice that a director is a director or a member of any specified company or is a member of any specified firm, and is to be regarded as interested in any subsequent transaction with such firm or company, shall as regards any such transaction be sufficient disclosure within the meaning of this sub-section and after such general notice, it shall not be necessary

to give any special notice relating to any particular transaction with such firm or company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) A register shall be kept by the company in which shall be entered particulars of all contracts or arrangements to which sub-section (1) applies, and which shall be open to inspection by any member of the company at the registered office of the company during business hours.

(4) Every officer of the company who knowingly and wilfully acts in contravention of the provisions of sub-section (3) shall be liable to a fine not exceeding five hundred rupees.

Prohibition of voting by interested director.

91-B. (1) No director shall, as a director, vote on any contract or arrangement in which he is either directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of any such vote; and if he does so vote, his vote shall not be counted:

Provided that the directors or any of them may vote on any contract of indemnity against any loss which they or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

(2) Every director who contravenes the provisions of sub-section (1) shall be liable to a fine not exceeding one thousand rupees.

(3) This section shall not apply to a private company:

Provided that where a private company is a subsidiary company of a public company, this section shall apply to all contracts or arrangements made on behalf of the subsidiary company with any person other than the holding company.

Disclosure to members in case of contract appointing a manager.

91-C. (1) Where a company enters into a contract for the appointment of a manager or managing agent of the company in which contract any director of the company is directly or indirectly concerned or interested, or varies any such existing contract, the company shall, within twenty-one days from the date of entering into the contract or the varying of the contract, send an abstract of the terms of such contract or variation, as the case may be, together with a memorandum clearly indicating the nature of the interest of the director in such

contract, or in such variation, to every member; and the contract shall be open to the inspection of any member at the registered office of the company.

(2) If a company makes default in complying with the requirements of sub-section (1), it shall be liable to a fine not exceeding one thousand rupees; and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

Contracts by agents of company in which company is undisclosed principal.

91-D. (1) Every manager or other agent of a company, other than a private company not being the subsidiary company of a public company, who enters into a contract for or on behalf of the company in which contract the company is an undisclosed principal shall, at the time of entering into the contract, make a memorandum in writing of the terms of the contract, and specify therein the person with whom it has been made.

(2) Every such manager or other agent shall forthwith deliver the memorandum aforesaid to the company and send copies to the directors, and such memorandum shall be filed in the office of the company and laid before the directors at the next directors' meeting.

(3) If any such manager or other agent makes default in complying with the requirements of this section—

(*a*) the contract shall, at the option of the company, be void as against the company; and

(*b*) such manager or other agent shall be liable to a fine not exceeding two hundred rupees.

PROSPECTUS.

Filing of prospectus.

92. (1) Every prospectus issued by or on behalf of a company or in relation to any intended company shall be dated and that date shall, unless the contrary be proved, be taken as the date of publication of the prospectus.

(2) A copy of every such prospectus, signed by every person who is named therein as a director or proposed director of the company, or by his agent authorized in writing, shall be filed for registration with the registrar on or before the date of its publication, and no such prospectus shall be issued until a copy thereof has been so filed for registration.

(3) The registrar shall not register any prospectus unless it is dated, and the copy thereof signed, in manner required by this section.

(4) Every prospectus shall state on the face of it that a copy has been filed for registration as required by this section.

(5) If a prospectus is issued without a copy thereof being so filed, the company, and every person who is knowingly a party to the issue of the prospectus, shall be liable to a fine not exceeding fifty rupees for every day from the date of the issue of the prospectus until a copy thereof is so filed.

Specific requirements as to particulars of prospectus.

93. (1) Every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company, shall state—

(*a*) the contents of the memorandum, with the names, descriptions and addresses of the signatories and the number of shares subscribed for by them, respectively; and the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company and the number of redeemable preference shares intended to be issued with the date or, where no date is fixed, the period of notice required and the proposed method of redemption; and

(*b*) the number of shares (if any) fixed by the articles as the qualification of a director, and any provision in the articles as to the remuneration of the directors; and

(*c*) the names, descriptions and addresses of the directors or proposed directors and of the managers or proposed managers and managing agents or proposed managing agents (if any) and any provision in the articles or in any contract as to the appointment of managers or managing agents and the remuneration payable to them; and

(*d*) the minimum subscription on which the directors may proceed to allotment, and the amount payable on application and allotment on each share; and in the case of a second or subsequent offer of shares the amount offered for subscription on each previous allotment made within the two preceding years, and the amount actually allotted, and the amount (if any) paid on the shares so allotted; and

(*e*) the number and amount of shares, and debentures which within the two preceding years have been issued, or agreed to be issued, as fully or partly paid up

otherwise than in cash, and in the latter case the extent to which they are so paid up, and in either case the consideration for which those shares or debentures have been issued or agreed to be issued; and

(*ee*) where any issue of shares or debentures is underwritten, the names of the underwriters and the opinion of the directors that the resources of the underwriters are sufficient to discharge the underwriting obligations; and

(*f*) the names and addresses of the vendors of any property purchased or acquired by the company, or proposed so to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or the purchase or acquisition of which has not been completed at the date of issue of the prospectus, and the amount payable in cash, shares or debentures to the vendor, and where there is more than one separate vendor or the company is a sub-purchaser, the amount so payable to each vendor: Provided that where the vendors or any of them are a firm, the members of the firm shall not be treated as separate vendors; and

(*ff*) where any property referred to in clause (*f*) has within the two years preceding the issue of the prospectus been transferred by sale, the amount paid by the purchaser at each such transfer so far as the information is available and, where any such property is a business, the profits accruing from such business during each of the three years immediately preceding the issue of the prospectus or during each year of the existence of the business if less than three years so far as the information is available. A balance sheet of the business concerned made up to a date not more than ninety days before the date of the issue of the prospectus shall be appended to the prospectus; and

(*g*) the amount (if any) paid or payable as purchase-money in cash, shares or debentures, for any such property as aforesaid, specifying the amount (if any) payable for goodwill; and

(*h*) the amount (if any) paid within the two preceding years or payable, as commission for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in, or debentures of, the company, or as discount in respect of shares issued, showing separately the amount, if any, so paid to the managing agents;

Provided that it shall not be necessary to state the commission payable to sub-underwriters; and

(*i*) the amount or estimated amount of preliminary expenses; and

(*k*) the amount paid within the two preceding years or intended to be paid to any promoter, and the consideration for any such payment; and

(*l*) the dates of, and parties to, every material contract including contracts relating to the acquisition of property to which clause (*f*) applies, and a reasonable time and place at which any material contract or a copy thereof may be inspected: Provided that this requirement shall not apply to a contract entered into in the ordinary course of business carried on or intended to be carried on by the company or to any contract, except a contract appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the date of issue of the prospectus; and

(*m*) the names and addresses of the auditors (if any) of the company; and

(*n*) full particulars of the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by, the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company; and

(*o*) where the company is a company having shares of more than one class, the right of voting at meetings of the company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively; and

(*p*) where the articles of the company impose any restrictions upon the members of the company in respect of the right to attend, speak or vote at meetings of the company or of the right to transfer shares, or upon the directors of the company in respect of their powers of management, the nature and extent of those restrictions; and

(*q*) where any part of the sums required for the matters set out in sub-section (2) of section 101 is to be

provided out of sources other than share capital, particulars of the amount to be so provided and the sources thereof.

(1-A) Where the prospectus is issued by a company which has been carrying on business prior to the issue thereof, the prospectus shall set out the following reports in addition to the matters referred to in sub-section (1), namely—

(*i*) a report by the auditors of the company with respect to the profits of the company including its subsidiary companies, if any, so far as the information is available in each of the three financial years immediately preceding the issue of the prospectus and with respect to the rates of the dividends, if any, paid by the company on each class of shares in the company for each of the said three years giving particulars of each such class of shares on which such dividends have been paid and the source from which the dividends have been paid and particulars of the cases in which no dividends have been paid on any class of shares for any of those years, and if no accounts have been made up for any part of a period of three years ending on a date three months before the issue of the prospectus, containing a statement of that fact;

(*ii*) if the proceeds or any part of the proceeds of the issue of the shares or debentures are or is to be applied directly or indirectly in the purchase of any business, a report made by an accountant or accountants holding the certificate referred to in section 144 who shall be named in the prospectus upon the profits of the business in respect of each of the three financial years immediately preceding the issue of the prospectus:

Provided that if, in the case of a company which has been carrying on business for less than three years, the accounts of the company have been made up only in respect of two years or any shorter period, this sub-section shall have effect as if references to two years or such shorter period were substituted for references to three years.

(1-B) The statement referred to in clause (*ff*) of sub-section (1) and the report referred to in sub-section (1-A)

with respect to the profits of a company or business shall show clearly the trading results and all charges and expenses incidental thereto excluding income or profits having no relation to the trading for the period covered and excluding also items of profit or income of a non-recurring nature but including amounts appropriated from profits to such purposes as payment of taxation or reserves.

(2) Where any such prospectus as is mentioned in this section is published as a newspaper advertisement, it shall not be necessary in the advertisement to specify the contents of the memorandum, or the signatories thereto, and the number of shares subscribed for by them.

(3) This section shall not apply to a circular or notice inviting existing members or debenture-holders of a company to subscribe either for shares or for debentures of the company, whether with or without the right to renounce in favour of other persons.

(4) The requirements of this section as to the memorandum and the qualification, remuneration and interest of directors, the names, descriptions and addresses of directors or proposed directors, and of managers or proposed managers, and the amount or estimated amount of preliminary expenses shall not apply in the case of a prospectus issued more than one year after the date at which the company is entitled to commence business:

Provided that the said requirements, except the requirement as to the amount or estimated amount of preliminary expenses, shall apply to a prospectus filed in pursuance of section 154.

(5) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.

Meaning of "Vendor" in section 93.

94. For the purposes of section 93 every person shall be deemed to be a vendor who has entered into any contract absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where—

(*a*) the purchase money is not fully paid at the date of issue of the prospectus; or

(*b*) the purchase-money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

(*c*) the contract depends for its validity or fulfilment on the result of that issue.

95. Where any of the property to be acquired by the company is to be taken on lease, section 93 shall apply as if the expression "vendor" included the lessor, and the expression "purchase money" included the consideration for the lease, and the expression "sub-purchaser" included a sub-lessee.

Application of section 93 to the case of property taken on lease.

96. (1) Any conditions requiring or binding any applicant for shares or debentures to waive compliance with any requirements of section 93, or purporting to affect him with notice of any contract, document or matter not specifically referred to in the prospectus, shall be void.

Invalidity of certain conditions as to waive notice.

(2) It shall not be lawful to issue any form of application for the shares in or debentures of a company unless the form is issued with a prospectus which complies with the requirements of section 93:

Provided that this sub-section shall not apply if it is shown that the form of application was issued either—

(*a*) in connection with a *bona-fide* invitation to a person to enter into an under-writing agreement with respect to the shares or debentures; or

(*b*) in relation to shares or debentures which were not offered to the public.

If any person acts in contravention of the provisions of this sub-section, he shall be liable to a fine not exceeding five hundred rupees.

97. (1) If a prospectus is issued which does not comply with the provisions of section 93, every person who is knowingly responsible for the issue of such prospectus shall be liable to a fine not exceeding fifty rupees for every day from the day of the issue of the prospectus until a copy complying with the requirements of section 93 is filed.

Saving in certain cases of non-compliance with section 93.

(2) In the event of non-compliance with or contravention of any of the requirements of section 93, a director or other person responsible for the prospectus shall not incur any liability by reason of the non-compliance or contravention, if he proves that—

(*a*) as regards any matter not disclosed, he was not cognizant thereof;

(*b*) the non-compliance or contravention arose from an honest mistake of fact on his part; or

(c) the non-compliance or contravention was in respect of matters which in the opinion of the Court were immaterial, or was otherwise such as ought in the opinion of the Court having regard to all the circumstances of the case reasonably to be excused:

Provided that, in the event of non-compliance with or contravention of the requirements contained in clause (n) of sub-section (1) of section 93, no such director or other person shall incur any liability in respect of the non-compliance or contravention unless it be proved that he had knowledge of the matters not disclosed.

Obligations of companies where no prospectus is issued.

98. (1) A company which does not issue a prospectus on or with reference to its formation shall not allot any of its shares or debentures unless before the first allotment of either shares or debentures there has been filed with the registrar a statement in lieu of prospectus signed by every person who is named therein as a director or a proposed director of the company or by his agent authorized in writing, in the form and containing the particulars set out in the form marked I in the Second Schedule.

(2) This section shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act or, in so far as it relates to the allotment of shares, to a company limited by guarantee and not having a share capital.

Document offering shares or debentures for sale to be deemed a prospectus.

98-A. (1) Where a company allots or agrees to allot any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public, any document by which the offer for sale to the public is made shall for all purposes be deemed to be a prospectus issued by the company and all enactments and rules of law as to the contents of prospectuses and to liability in respect of statements in and omissions from prospectuses or otherwise relating to prospectuses shall apply and have effect accordingly as if the shares or debentures had been offered to the public for subscription and as if persons accepting the offer in respect of any shares or debentures were subscribers for those shares or debentures but without prejudice to the liability, if any, of the persons by whom the offer is made in respect of mis-statements contained in the document or otherwise in respect thereof.

(2) For the purposes of this Act it shall, unless the contrary is proved, be evidence that an allotment of or an agreement to allot shares or debentures was made with a view to the shares or debentures being offered for sale to the public, if it is shown—

(*a*) that an offer of the shares or debentures or of any of them for sale to the public was made within six months after the allotment or agreement to allot; or

(*b*) that at the date when the offer was made the whole of the consideration to be received by the company in respect of the shares or debentures had not been so received.

(3) Section 97 shall apply to the person or persons making the offer as though they were persons named in a prospectus as directors of a company, and the provisions of section 93 shall have effect as if it required a prospectus to state, in addition to the matters required by that section to be stated in a prospectus,—

(*a*) the net amount of the consideration received or to be received by the company in respect of the shares or debentures to which the offer relates, and

(*b*) the place and time at which the contract under which the said shares or debentures have been or are to be allotted may be inspected.

(4) Where a person making an offer to which this section relates is a company or a firm, it shall be sufficient if the document afforesaid is signed on behalf of the company or firm by all directors of the company or not less than half of the partners, as the case may be, and any such director or partner may sign by his agent authorized in writing.

99. A company shall not, at any time, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the company in general meeting.

Restriction on alteration of terms mentioned in prospectus or statement in lieu of prospectus.

100. (1) Where a prospectus invites persons to subscribe for shares in or debentures of a company, every person who is a director of the company at the time of the issue of the prospectus, and every person who has authorized the naming of himself and is named in the prospectus as a director or as having agreed to become a director

Liability for statements in prospectus.

either immediately or after an interval of time, and every promoter of the company, and every person who has authorized the issue of the prospectus, shall be liable to pay compensation to all persons who subscribe for any shares or debentures on the faith of the prospectus for all loss or damage they may have sustained by reason of any misleading or untrue statement therein, or in any report or memorandum appearing on the face thereof, or by reference incorporated therein or issued therewith, unless it is proved—

(*a*) with respect to every misleading or untrue statement not purporting to be made on the authority of an expert or of a public official document or statement that he had reasonable ground to believe and did up to the time of the allotment of the shares or debentures, as the case may be, believe that the statement fairly represented the facts or was true;

(*b*) with respect to every misleading or untrue statement purporting to be a statement by or contained in what purports to be a copy of or extract from a report or valuation of an expert, that it fairly represented the statement, or was a correct and fair copy of or extract from the report or valuation: Provided that the director, person named as director, promoter or person who authorized the issue of the prospectus shall be liable to pay compensation as aforesaid if it is proved that he had no reasonable ground to believe that the person making the statement, report or valuation was competent to make it; and

(*c*) with respect to every misleading or untrue statement purporting to be a statement made by an official person or contained in what purports to be a copy of or extract from a public official document, that it was a correct and fair representation of the statement or copy of or extract from the document:

or unless it is proved—

(*i*) that having consented to become a director of the company he withdrew his consent

before the issue of the prospectus, and that it was issued without his authority or consent; or

(ii) that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave a reasonable public notice that it was issued without his knowledge or consent; or

(iii) that, after the issue of the prospectus and before allotment thereunder, he, on becoming aware of any misleading or untrue statement therein, withdrew his consent thereto, and gave reasonable public notice of the withdrawal and of the reasons therefor.

(2) Where a company existing at the commencement of this Act has issued shares or debentures, and for the purpose of obtaining further capital by subscriptions for shares or debentures issues a prospectus, a director shall not be liable in respect of any statement therein, unless he has authorized the issue of the prospectus, or has adopted or ratified it.

(3) Where the prospectus contains the name of a person as a director of the company, or as having agreed to become a director thereof, and he has not consented to become a director, or has withdrawn his consent before the issue of the prospectus, and has not authorized or consented to the issue thereof, the directors of the company, except any without whose knowledge or consent the prospectus was issued, and any other person who authorized the issue thereof, shall be liable to indemnify the person named as aforesaid against all damages, costs and expenses to which he may be made liable by reason of his name having been inserted in the prospectus, or in defending himself against any suit or legal proceedings brought against him in respect thereof.

(4) Every person who, by reason of his being a director or named as a director, or as having agreed to become a director, or of his having authorized the issue of the prospectus, becomes liable to make any payment under this section, may recover contribution, as in cases of contract, from any other person who, if sued separately, would have been liable to make the same payment, unless the person who has become so liable was, and that other person was not, guilty of fraudulent misrepresentation.

(5) For the purposes of this section—

(a) the expression "promoter" means a promoter who was a party to the preparation of the prospectus, or the portion thereof containing the misleading or untrue statement, but does not include any person by reason of his acting in a professional capacity for persons engaged in procuring the formation of the company;

(b) the expression "expert" includes engineer, valuer, accountant and any other person whose profession gives authority to a statement made by him.

ALLOTMENT.

Restriction as to allotment.

101. (1) No allotment shall be made of any share capital of a company offered to the public for subscription, unless the amount stated in the prospectus as the minimum amount which in the opinion of the directors must be raised by the issue of share capital in order to provide the sums or, if any part thereof is to be defrayed in any other manner, the balance of the sum required to be provided in respect of the matters specified in sub-section (2) has been subscribed, and the sum of at least five per cent thereof has been paid to or received in cash by the company.

(2) The matters for which provision for the raising of a minimum amount of share capital must be made by the directors are the following, namely:—

(a) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue,

(b) any preliminary expenses payable by the company and any commission so payable to any person in consideration of his agreeing to subscribe for or of his procuring or agreeing to procure subscriptions for any shares in the company,

(c) the repayment of any moneys borrowed by the company in respect of any of the foregoing matters, and

(d) working capital.

(2-A) The amount referred to in sub-section (1) as the amount stated in the prospectus shall be reckoned exclusively of any amount payable otherwise than in cash, and is in this Act referred to as the minimum subscription.

(2-B) All moneys received from applicants for shares shall be deposited and kept in a bank approved by Government, until returned in accordance with the provisions of sub-section (4) or until the certificate to commence business is obtained under section 103.

(2-C) In the event of any contravention of the provisions of sub-section (2-B) every promoter, director or other person knowingly responsible for such contravention shall be liable to a fine not exceeding five hundred rupees.

(3) The amount payable on application on each share shall not be less than five per cent of the nominal amount of the share.

(4) If the conditions aforesaid have not been complied with on the expiration of one hundred and eighty days after the first issue of the prospectus, all money received from applicants for shares shall be forthwith repaid to them without interest, and, if any such money is not so repaid within one hundred and ninety days after the issue of the prospectus, the directors of the company shall be jointly and severally liable to repay that money with interest at the rate of seven per cent per annum from the expiration of the one hundred and ninetieth day: Provided that a director shall not be liable if he proves that the loss of the money was not due to any misconduct or negligence on his part.

(5) Any condition requiring or binding any applicant for shares to waive compliance with any requirement of this section shall be void.

(6) This section, except sub-section (3) thereof, shall not apply to any allotment of shares subsequent to the first allotment of shares offered to the public for subscription.

(7) In the case of the first allotment of share capital payable in cash of a company which does not issue any invitation to the public to subscribe for its shares, no allotment shall be made unless the minimum subscription (that is to say),—

(*a*) the amount (if any) fixed by the memorandum or articles and named in the statement in

lieu of prospectus as the minimum subscription upon which the directors may proceed to allotment; or

(*b*) if no amount is so fixed and named, the whole amount of the share capital other than that issued or agreed to be issued as fully or partly paid up otherwise than in cash;

has been subscribed and an amount not less than five per cent of the nominal amount of each share payable in cash has been paid to and received by the company.

(8) Sub-section (7) shall not apply to a private company or to a company which has allotted any shares or debentures before the commencement of this Act.

Effect of irregular allotment.

102. (1) An allotment made by a company to an applicant in contravention of the provisions of section 98 or section 101 shall be voidable at the instance of the applicant within one month after the holding of the statutory meeting of the company and not later, or in any case where the company is not required to hold a statutory meeting or where the allotment is made after the holding of the statutory meeting, within one month after the date of the allotment and not later, and shall be so voidable notwithstanding that the company is in course of being wound up.

(2) If any director of a company knowingly contravenes or permits or authorizes the contravention of any of the provisions of section 98 or section 101 with respect to allotment, he shall be liable to compensate the company and the allottee respectively for any loss, damages or costs which the company or the allottee may have sustained or incurred thereby: Provided that proceedings to recover any such loss, damages or costs shall not be commenced after the expiration of two years from the date of the allotment.

Restrictions on commencement of business.

103. (1) A company shall not commence any business or exercise any borrowing powers unless—

(*a*) shares held subject to the payment of the whole amount thereof in cash have been allotted to an amount not less in the whole than the minimum subscription; and

(*b*) every director of the company has paid to the company on each of the shares taken or contracted to be taken by him, and for which

he is liable to pay in cash, a proportion equal to the proportion payable on application and allotment on the shares offered for public subscription or, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, on the shares payable in cash; and

(*c*) there has been filed with the registrar a duly verified declaration by the secretary or one of the directors, in the prescribed form, that the aforesaid conditions have been complied with; and

(*d*) in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, there has been filed with the registrar a statement in lieu of prospectus.'

(2) The registrar shall, on the filing of a duly verified declaration, in accordance with the provisions of this section, certify that the company is entitled to commence business, and that certificate shall be conclusive evidence that the company is so entitled:

Provided that, in the case of a company which does not issue a prospectus inviting the public to subscribe for its shares, the registrar shall not give such a certificate unless a statement in lieu of prospectus has been filed with him.

(3) Any contract made by a company before the date at which it is entitled to commence business shall be provisional only, and shall not be binding on the company until that date, and on that date it shall become binding.

(4) Nothing in this section shall prevent the simultaneous offer for subscription or allotment of any shares and debentures or the receipt of any money payable on application for debentures.

(5) If any company commences business or exercises borrowing powers in contravention of this section, every person who is responsible for the contravention shall, without prejudice to any other liability, be liable to a fine not exceeding five hundred rupees for every day during which the contravention continues.

(6) Nothing in this section shall apply to a private company, or to a company registered before the commencement of this Act, which does not issue a prospectus inviting the public to subscribe for its shares,

or, in so far as its provisions relate to shares, to a company limited by guarantee and not having a share capital.

Return as to allotments.

104. (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within one month thereafter,—

(*a*) file with the registrar a return of the allotments, stating the number and nominal amount of the shares comprised in the allotment, the names, addresses and descriptions of the allottees, and the amount (if any) paid or due and payable on each share; and

(*b*) in the case of shares allotted as fully or partly paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the extent to which they are to be treated as paid up, and the consideration for which they have been allotted.

(2) Where such a contract as abovementioned is not reduced to writing, the company shall, within one month after the allotment, file with the registrar the prescribed particulars of the contract, stamped with the same stamp-duty as would have been payable if the contract had been reduced to writing, and these particulars shall be deemed to be an instrument within the meaning of the Mysore Stamp Act, 1900, and the registrar may, as a condition of filing the particulars, require that the duty payable thereon be adjudicated under section 31 of that Act.

(3) If default is made in complying with the requirements of this section, every officer of the company who is knowingly a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues:

Provided that in case of default in filing with the registrar within one month after the allotment any document required to be filed by this section, the company, or any person liable for the default, may apply to the Court for relief, and the Court, if satisfied that the omission to file the document was accidental or due to inadvertence or that on other grounds it is just and equitable to grant relief, may make an order extending the time for the filing of the document for such a period as the Court may think proper.

(4) Nothing in this section shall apply to the issue and allotment by a company of shares which under the provisions of its articles were forfeited for non-payment of calls.

Commissions and Discounts.

Power to pay certain commissions and prohibition of payment of all other commissions, discounts, etc.

105. (1) It shall be lawful for a company to pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, if the payment of the commission is authorized by the articles and the commission paid or agreed to be paid does not exceed the amount or rate so authorized, and if the amount or rate per cent of the commission paid or agreed to be paid is—

(*a*) in the case of shares offered to the public for subscription, disclosed in the prospectus; or

(*b*) in the case of shares not offered to the public for subscription, disclosed in the statement in lieu of prospectus, or in a statement in the prescribed form signed in like manner as a statement in lieu of prospectus and filed with the registrar and, where a circular or notice, not being a prospectus inviting subscription for the shares, is issued, also disclosed in that circular or notice.

(2) Save as aforesaid and save as provided in section 105-A, no company shall apply any of its shares or capital money either directly or indirectly in payment of any commission, discount or allowance, to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the

company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or money be so applied by being added to the purchase money of any property acquired by the company or to the contract price of any work to be executed for the company, or the money be paid out of the nominal purchase money or contract price or otherwise.

(3) Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from, a company shall have, and shall be deemed always to have had, power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

Power to issue shares at a discount.

105-A. (1) Subject to the provisions of this section, it shall be lawful for a company to issue at a discount shares in the company of a class already issued:

Provided that—

(*a*) the issue of the shares at a discount must be authorized by resolution passed in general meeting of the company and must be sanctioned by the Court;

(*b*) the resolution must specify the maximum rate of discount (not exceeding ten per cent in any case) at which shares are to be issued;

(*c*) not less than one year must at the date of issue have elapsed since the date on which the company was entitled to commence business;

(*d*) the shares to be issued at a discount must be issued within six months after the date on which the issue is sanctioned by the Court or within such extended time as the Court may allow.

(2) Every prospectus relating to the issue of the shares and every balance-sheet issued by the company subsequently to the issue of the shares must contain particulars of the discount allowed on the issue of the shares or of so much of that discount as has not been written off at the date of the issue of the document in question.

(3) If default is made in complying with sub-section (2), the company and every officer of the company who is in default shall be liable to a fine not exceeding fifty rupees.

Issues of redeemable preference shares.

105-B. (1) Subject to the provisions of this section, a company limited by shares may, if so authorized by its articles, issue preference shares which are, or at the option of the company are to be, liable to be redeemed :

Provided that—

(*a*) no such shares shall be redeemed except out of profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption or out of sale proceeds of any property of the company ;

(*b*) no such shares shall be redeemed unless they are fully paid ;

(*c*) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend be transferred to a reserve fund, to be called "the capital redemption reserve fund," a sum equal to the amount applied in redeeming the shares, and the provisions of this Act relating to the reduction of the share capital of a company shall, except as provided in this section, apply as if the capital redemption reserve fund were paid-up share capital of the company ;

(*d*) where any such shares are redeemed out of the proceeds of a fresh issue, the premium, if any, payable on redemption must have been provided for out of the profits of the company before the shares are redeemed.

(*d*) There shall be included in every balance-sheet of a company which has issued redeemable preference shares a statement specifying what part of the issued capital of the company consists of such shares and the date on or before which those shares are, or are to be, liable to be redeemed or, where no definite date is fixed for redemption, the period of notice to be given for redemption.

If a company fails to comply with the provisions of this sub-section, the company and every officer of the

company who is in default shall be liable to a fine not exceeding one thousand rupees.

(3) Subject to the provisions of this section, the redemption of preference shares thereunder may be effected on such terms and in such manner as may be provided by the articles of the company.

(4) Where in pursuance of this section a company has redeemed or is about to redeem any preference shares, it shall have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued, and accordingly the share capital of the company shall not for the purpose of calculating the fees payable under section 249 be deemed to be increased by the issue of shares in pursuance of this sub-section:

Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-section unless the old shares are redeemed within one month after the issue of the new shares.

(5) Where new shares have been issued in pursuance of the last foregoing sub-section, the capital redemption reserve fund may, notwithstanding anything in this section, be applied by the company, upto an amount equal to the nominal amount of the shares so issued, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

Further issue of capital.

105-C. Where it is decided to increase the capital of the company by the issue of further shares, such shares shall be disposed of in accordance with the directions of the company in a general meeting or, in the absence of any such directions, they shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time, or on receipt of an intimation from the member to whom such notice is given, that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company.

Explanation:—For the purpose of this section capital shall include authorized capital not previously offered for subscription.

106. Where a company has paid any sums by way of commission in respect of any shares or debentures, or allowed any sums by way of discount in respect of any debentures, the total amount so paid or allowed or so much thereof as has not been written off, shall be stated in every balance-sheet of the company until the whole amount thereof has been written off.

Statement in balance-sheet as to commissions and discounts.

PAYMENT OF INTEREST OUT OF CAPITAL.

107. Where any shares of a company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the company may pay interest on so much of that share capital as is for the time being paid-up for the period and subject to the conditions and restrictions in this section mentioned, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant:

Power of company to pay interest out of capital in certain cases.

Provided that—

(1) no such payment shall be made unless the same is authorized by the articles or by special resolution;

(2) no such payment whether authorized by the articles or by the special resolution, shall be made without the previous sanction of the Government, which sanction shall be conclusive evidence for the purposes of this section, that the shares of the company, in respect of which such sanction is given, have been issued for a purpose specified in this section;

(3) before sanctioning any such payment, the Government may, at the expense of the company, appoint a person to inquire and report to it as to the circumstances of the case, and may, before making the appointment, require the company to give security for the payment of the costs of the inquiry;

(4) the payment shall be made only for such period as may be determined by the Government; and such period shall in no case extend beyond the close of the half-year next after the half-year during which the works or buildings have been actually completed or the plant provided;

(5) the rate of interest shall in no case exceed four per cent per annum or such lower rate as the Government may, by notification in the official Gazette, prescribe;

(6) the payment of the interest shall not operate as a reduction of the amount paid-up on the shares in respect of which it is paid;

(7) the accounts of the company shall show the share capital on which, and the rate at which, interest has been paid out of capital during the period to which the accounts relate.

CERTIFICATES OF SHARES, ETC.

Limitation of time for issue of certificates.

108. (1) Every company shall, within three months after the allotment of any of its shares, debentures or debenture stock, and within three months after the registration of the transfer of any such shares, debentures or debenture stock, complete and have ready for delivery the certificates of all shares, the debentures and the certificates of all debenture stock allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.

(2) If default is made in complying with the requirements of this section, the company, and every officer of the company who is knowingly a party to the default, shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

INFORMATION AS TO MORTGAGES, CHARGES, ETC.

Certain mortgages and charges to be void if not registered.

109. (1) Every mortgage or charge created after the commencement of this Act by a company and being either—

(*a*) a mortgage or charge for the purpose of securing any issue of debentures; or

(*b*) a mortgage or charge on uncalled share capital of the company; or

(*c*) a mortgage or charge on any immovable property wherever situate, or any interest therein; or

(*d*) a mortgage or charge on any book debts of the company; or

(*e*) a mortgage or a charge, not being a pledge on any movable property of the company except stock-in-trade; or

(*f*) a floating charge on the undertaking or property of the company;

shall, so far as any security on the company's property or undertaking is thereby conferred, be void against the liquidator and any creditor of the company, unless the prescribed particulars of the mortgage or charge, together with the instrument (if any) by which the mortgage or charge is created or evidenced, or a copy thereof verified in the prescribed manner, are filed with the registrar for registration in manner required by this Act within twenty-one days after the date of its creation, but without prejudice to any contract or obligation for repayment of the money thereby secured, and when a mortgage or charge becomes void under this section, the money secured thereby shall immediately become payable:

Provided that—

(*i*) in the case of a mortgage or charge created out of Mysore, comprising solely property situate outside Mysore, twenty-one days after the date on which the instrument or copy could, in due course of post, and if despatched with due diligence, have been received in Mysore shall be substituted for twenty-one days after the date of the creation of the mortgage or charge, as the time within which the particulars and instrument or copy are to be filed with the registrar; and

(*ii*) where the mortgage or charge is created in Mysore but comprises property outside Mysore, the instrument creating or purporting to create the mortgage or charge, or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the mortgage or charge valid or effectual according to the law of the country in which the property is situate; and

(*iii*) where a negotiable instrument has been given to secure payment of any book debts of a company, the deposit of the instrument for the purpose of securing an advance to the company shall not, for the purposes of this section, be treated as a mortgage or charge on those book debts; and

(*iv*) the holding of debentures entitling the holder to a charge on immovable property shall not be deemed to be an interest in immovable property.

(2) Where any mortgage or charge on any property of a company required to be registered under this section has been so registered, any person acquiring such property or any part thereof, or any share or interest therein, shall be deemed to have notice of the said mortgage or charge as from the date of such registration.

Registration of charges on properties acquired subject to charge.

109-A. (1) Where after the commencement of this Act, a company registered in Mysore acquires any property which is subject to a charge of any such kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Part, the company shall cause the prescribed particulars of the charge, together with a copy (certified in the prescribed manner to be a correct copy) of the instrument, if any, by which the charge was created or is evidenced, to be delivered to the registrar for registration in manner required by this Act within twenty-one days after the date on which the acquisition is completed :

Provided that, if the property is situate and the charge was created outside Mysore, twenty-one days after the date on which the copy of the instrument could in due course of post, and if despatched with due diligence, have been received in Mysore shall be substituted for twenty-one days after the completion of the acquisition as the time within which the particulars and the copy of the instrument are to be delivered to the registrar.

(2) If default is made in complying with this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine of five hundred rupees.

Particulars in case of series of debentures entitling holders *pari passu*.

110. Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu* is created by a company, it shall be sufficient for the purposes of section 109 if there are filed with the registrar within twenty-one days after the execution of the deed containing the charge or, if there is no such deed, after the execution of any debentures of the series, the following particulars :—

(*a*) the total amount secured by the whole series; and

(*b*) the dates of the resolutions authorizing the issue of the series and the date of the covering deed (if any) by which the security is created or defined; and

(*c*) a general description of the property charged; and

(*d*) the names of the trustees (if any) for the debenture-holders;

together with the deed or a copy thereof verified in the prescribed manner containing the charge, or if there is no such deed, one of the debentures of the series, and the registrar shall, on payment of the prescribed fee, enter those particulars in the register:

Provided that, where more than one issue is made of debentures in the series, there shall be filed with the registrar for entry in the register particulars of the date and amount of each issue, but an omission to do this shall not affect the validity of the debentures issued.

Particulars in case of commission, etc., on debentures.

111. Where any commission, allowance or discount has been paid or made either directly or indirectly by the company to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any debentures of the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such debentures, the particulars required to be filed for registration under sections 109 and 110 shall include particulars as to the amount or rate per cent of the commission, discount or allowance so paid or made, but an omission to do this shall not affect the validity of the debentures issued:

Provided that the deposit of any debentures as security for any debt of the company shall not for the purposes of this provision be treated as the issue of the debentures at a discount.

Register of mortgages and charges.

112. (1) The registrar shall keep, with respect to each company, a register in the prescribed form of all the mortgages and charges created by the company after the commencement of this Act and requiring registration under section 109, and shall, on payment of the prescribed fee, enter in the register, with respect to every such mortgage or charge, the date of creation, the amount secured by it, short particulars of the property mortgaged or charged, and the names of the mortgagees or persons entitled to the charge.

(2) After making the entry required by sub-section (1), the registrar shall return the instrument (if any) or

the verified copy thereof, as the case may be, filed in accordance with the provisions of section 109 or section 110 to the person filing the same.

(3) The register kept in pursuance of this section shall be open to inspection by any person on payment of the prescribed fee, not exceeding one rupee for each inspection.

Index to register of mortgages and charges.

113. The registrar shall keep a chronological index, in the prescribed form and with the prescribed particulars, of the mortgages or charges registered with him under this Act.

Certificate of registration.

114. The registrar shall give a certificate under his hand of the registration of any mortgage or charge registered in pursuance of section 109, stating the amount thereby secured, and the certificate shall be conclusive evidence that the requirements of sections 109 to 112 as to registration have been complied with.

Endorsement of certificate of registration on debenture or certificate of debenture stock.

115. The company shall cause a copy of every certificate of registration, given under section 114, to be endorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the mortgage or charge so registered:

Provided that nothing in this section shall be construed as requiring a company to cause a certificate of registration of any mortgage or charge so given to be endorsed on any debenture or certificate of debenture stock which has been issued by the company before the mortgage or charge was created.

Duty of company and right of interested party as regards registration.

116. (1) It shall be the duty of the company to file with the registrar for registration the prescribed particulars of every mortgage or charge created by the company and of the issue of debentures of a series requiring registration under section 109, but registration of any such mortgage or charge may be effected on the application of any person interested therein.

(2) Where the registration is effected on the application of some person other than the company, that person shall be entitled to recover from the company, the amount of any fees properly paid by him to the registrar on the registration.

(3) Whenever the terms or conditions or extent or operation of any mortgage or charge registered under this section are modified, it shall be the duty of the company to send to the registrar the particulars of such

modification, and the provisions of this section as to registration of mortgage or a charge shall apply to such modification of the mortgage or charge as aforesaid.

Copy of instrument creating mortgage or charge to be kept at registered office.

117. Every company shall cause a copy of every instrument creating any mortgage or charge requiring registration under section 109, to be kept at the registered office of the company: Provided that, in the case of a series of uniform debentures, a copy of one such debenture shall be sufficient.

Registration of appointment of receiver.

118. (1) If any person obtains an order for the appointment of a receiver of the property of a company or appoints such a receiver under any powers contained in any instrument, he shall, within fifteen days from the date of the order or of the appointment under the powers contained in the instrument, file notice of the fact with the registrar, and the registrar, shall, on payment of the prescribed fee, enter the fact in the register of mortgages and charges.

(2) If any person makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Filing of accounts of receivers.

119. (1) Every receiver of the property of a company who has been appointed under the powers contained in any instrument, and who has taken possession, shall once in every half year while he remains in possession, and also on ceasing to act as receiver, file with the registrar an abstract, in the prescribed form, of his receipts and payments during the period to which the abstract relates, and shall also, on ceasing to act as receiver, file with the registrar notice to that effect, and the registrar shall enter the notice in the register of mortgages and charges.

(2) Where a receiver of the property of a company has been appointed, every invoice, order for goods, or business letter issued by or on behalf of the company, or the receiver of the company, being a document on or in which the name of the company appears, shall contain a statement that a receiver has been appointed.

(3) If default is made in complying with the requirements of this section, the company and every director, manager, managing agent, secretary or other officer of the company and every receiver who knowingly and wilfully authorizes or permits the default,

shall be liable to a fine not exceeding two hundred rupees.

Rectification of register of mortgages.

120. (1) The Court, on being satisfied that the omission to register a mortgage or charge within the time required by section 109, or that the omission or mis-statement of any particular with respect to any such mortgage or charge, or the omission to give intimation to the registrar of the payment or satisfaction of a debt for which a charge or mortgage was created was accidental, or due to inadvertence or to some other sufficient cause, or is not of a nature to prejudice the position of creditors or shareholders of the company, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any person interested, and on such terms and conditions as seem to the Court just and expedient, order that the time for registration be extended, or, as the case may be, that the omission or mis-statement be rectified, and may make such order as to the costs of the application as it thinks fit.

(2) Where the Court extends the time for the registration of a mortgage or charge, the order shall not prejudice any rights acquired in respect of the property concerned prior to the time when the mortgage or charge is actually registered.

Registration of satisfaction of mortgages and charges.

121. (1) It shall be the duty of the company to give intimation to the registrar of the payment or satisfaction of any charge or mortgage created by the company and requiring registration under section 109 within twenty-one days from the date of the payment or satisfaction thereof.

(2) The registrar shall, on receipt of such intimation, cause a notice to be sent to the mortgagee calling upon him to show cause, within a time (not exceeding fourteen days) to be fixed by such notice, why the payment or satisfaction of the charge or mortgage should not be recorded.

(3) The registrar shall, if no cause is shown, order that a memorandum of satisfaction be entered on the register and shall if required furnish the company with a copy thereof.

(4) Where cause is shown, the registrar shall record a note to that effect in the register, and shall inform the company that he has done so.

Penalties.

122. (1) If any company makes default in filing with the registrar for registration the particulars—

(*a*) of any mortgage or charge created by the company; or

(*b*) of the payment or satisfaction of a debt in respect of which a mortgage or charge has been registered under section 109 or section 109-A; or

(*c*) of the issues of debentures of a series,

requiring registration with the registrar under the foregoing provisions of this Act, then, unless the registration has been effected on the application of some other person, the company, and every officer of the company or other person who is knowingly a party to the default, shall, on conviction, be liable to a fine not exceeding five hundred rupees for every day during which the default continues.

(2) Subject as aforesaid, if any company makes default in complying with any of the requirements of this Act as to the registration with the registrar of any mortgage or charge created by the company, the company, and every officer of the company who knowingly and wilfully authorizes or permits the default shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

(3) If any person knowingly and wilfully authorizes or permits the delivery of any debenture or certificate of debenture stock requiring registration with the registrar under the foregoing provisions of this Act without a copy of the certificate of registration being endorsed upon it, he shall, without prejudice to any other liability, be liable on conviction to a fine not exceeding one thousand rupees.

Company's register of mortgages.

123. (1) Every company shall keep a register of mortgages and enter therein all mortgages and charges specifically affecting property of the company and all floating charges on the undertaking or on any property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge and (except in the case of securities to bearer) the names of the mortgagees or persons entitled thereto.

(2) If any director, manager or other officer of the company knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this section, he shall be liable to a fine not exceeding five hundred rupees.

Right to inspect copies of instruments creating mortgages and charges, and company's register of mortgages.

124. (1) The copies kept at the registered office of the company in pursuance of section 117 of instruments creating any mortgage or charge requiring registration under this Act with the registrar, and the register of mortgages kept in pursuance of section 123 shall be open at all reasonable times to the inspection of any creditor or member of the company without fee, and the register of mortgages shall also be open to the inspection of any other person on payment of such fee, not exceeding one rupee for each inspection, as the company may prescribe.

(2) If inspection of the said copies or register is refused, the company shall be liable to a fine not exceeding fifty rupees and a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly authorizes or permits the refusal shall incur the like penalty, and in addition to the above penalty, the Court may by order compel an immediate inspection of the copies or register.

Right to inspect the register of debenture-holders and to have copies of trust-deed.

125. (1) Every register of holders of debentures of a company shall, except when closed in accordance with the articles during such period or periods (not exceeding in the whole thirty days in any year) as may be specified in the articles, be open to the inspection of the registered holder of any such debentures, and of any holder of shares in the company, but subject to such reasonable restrictions as the company may in general meeting impose, so that at least two hours in each day are appointed for inspection, and every such holder may require a copy of the register or any part thereof on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(2) A copy of any trust-deed for securing any issue of debentures shall be forwarded to every holder of any such debentures at his request on payment in the case of a printed trust-deed of the sum of one rupee or such less sum as may be prescribed by the company, or, where the trust-deed has not been printed, on payment of six annas for every one hundred words or fractional part thereof required to be copied.

(3) If inspection is refused, or a copy is refused or not forwarded, the company shall be liable to a fine not exceeding fifty rupees, and to a further fine not exceeding twenty rupees for every day during which the refusal continues, and every officer of the company who knowingly

authorizes or permits the refusal shall incur the like penalty, and the Court may by order compel an immediate inspection of the register.

Debentures and Floating Charges.

Perpetual debentures.

126. A condition contained in any debentures or in any deed for securing any debentures, whether issued or executed before or after the passing of this Act, shall not be invalid by reason only that thereby the debentures are made irredeemable or redeemable only on the happening of a contingency, however remote, or on the expiration of a period, however long.

Power to re-issue redeemed debentures in certain cases.

127. (1) Where either before or after the commencement of this Act a company has redeemed any debentures previously issued, the company, unless the articles or the conditions of issue expressly otherwise provide, or unless the debentures have been redeemed in pursuance of any obligation on the company so to do (not being an obligation enforceable only by the person to whom the redeemed debentures were issued or his assigns), shall have power; and shall be deemed always to have had power, to keep the debentures alive for the purposes of re-issue, and where a company has purported to exercise such a power, the company shall have power, and shall be deemed always to have had power, to re-issue the debentures either by re-issuing the same debentures or by issuing other debentures in their place, and upon such re-issue, the person entitled to the debentures shall have, and shall be deemed always to have had, the same rights and priorities as if the debentures had not previously been issued.

(2) Where with the object of keeping debentures alive for the purpose of re-issue, they have, either before or after the commencement of this Act, been transferred to a nominee of the company, a transfer from that nominee shall be deemed to be a re-issue for the purposes of this section.

(3) Where a company has, either before or after the commencement of this Act, deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures shall not be deemed to have been redeemed by reason only of the account of the company having ceased to be in debit whilst the debentures remained so deposited.

(4) The re-issue of a debenture or the issue of another debenture in its place under the power by this section given to, or deemed to have been possessed by, a company, whether the re-issue or issue was made before or after the commencement of this Act, shall be treated as the issue of a new debenture for the purposes of stamp duty, but it shall not be so treated for the purposes of any provision limiting the amount or number of debentures to be issued:

Provided that any person lending money on the security of a debenture re-issued under this section, which appears to be duly stamped, may give the debenture in evidence in any proceedings for enforcing his security, without payment of the stamp-duty or any penalty in respect thereof, unless he had notice or, but for his negligence might have discovered, that the debenture was not duly stamped, but in any such case the company shall be liable to pay the proper stamp-duty and penalty.

(5) Nothing in this section shall prejudice—

(*a*) the operation of any decree or order of a Court of competent jurisdiction pronounced or made before the commencement of this Act, as between the parties to the proceedings in which the decree or order was made, and any appeal from any such decree or order shall be decided as if this Act had not been passed; or

(*b*) any power to issue debentures in the place of any debentures paid off or otherwise satisfied or extinguished, reserved to a company by its debentures or the securities for the same.

Specific performance of contract to subscribe for debentures

128. A contract with a company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge.

129. (1) Where either a receiver is appointed on behalf of the holders of any debentures of a company secured by a floating charge, or possession is taken by or on behalf of those debenture-holders of any property comprised in or subject to the charge, then, if the company is not at the time in course of being wound up, the debts which in every winding up are under the provisions of Part V relating to preferential payments to be paid in priority to all other debts, shall be paid forthwith out of any assets coming to the hands of the receiver or other

person taking possession as aforesaid in priority to any claim for principal or interest in respect of the debentures.

(2) The periods of time mentioned in the said provisions of Part V shall be reckoned from the date of the appointment of the receiver or of possession being taken as aforesaid, as the case may be.

(3) Any payments made under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

STATEMENTS, BOOKS AND ACCOUNTS.

Books to be kept by company and penalty for not keeping proper books.

130. (1) Every company shall cause to be kept proper books of account with respect to—

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

(2) The books of account shall be kept at the registered office of the company or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours.

(3) Where a company has a branch office, the company shall be deemed to have complied with the provisions of sub-section (1) and sub-section (2) if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarised returns, made up to dates at intervals of not more than two months, are sent by the branch office to the registered office of the company or other place referred to in sub-section (2).

(4) In the case of a company managed by a managing agent, the managing agent, or where the managing agent is a firm or company, the partner or director of such firm or company and in any other case the director or directors who have knowingly by their act or omission been the cause of any default by the company in complying with the requirements of this section, shall in respect of such offence be liable to a fine not exceeding one thousand rupees.

Annual balance-sheet.

131. (1) The directors of every company shall at some date not later than eighteen months after the incorporation of the company and subsequently once at least in every calendar year lay before the company in general

meeting a balance-sheet and profit and loss account or in the case of a company not trading for profit an income and expenditure account for the period, in the case of the first account since the incorporation of the company and in any other case since the preceding account, made up to a date not earlier than the date of the meeting by more than nine months or in the case of a company carrying on business or having interests outside Mysore by more than twelve months:

Provided that the registrar may for any special reason extend the period by a period not exceeding three months.

(2) The balance-sheet and the profit and loss account or income and expenditure account shall be audited by the auditor of the company as hereinafter provided, and the auditor's report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the report and the report shall be read before the company in general meeting and shall be open to inspection by any member of the company.

(3) Every company other than a private company shall send a copy of such balance-sheet and profit and loss account or income and expenditure account so audited together with a copy of the auditor's report to the registered address of every member of the company at least fourteen days before the meeting at which it is to be laid before the members of the company, and shall deposit a copy at the registered office of the company for the inspection of the members of the company during a period of at least fourteen days before the meeting.

Directors' report.

131-A. (1) The directors shall make out and attach to every balance-sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance-sheet.

(2) The report referred to in sub-section (1) may be signed by the chairman of the directors on behalf of the directors if authorized in that behalf by the directors.

(3) The provisions of sub-section (4) of section 130 shall apply to any person being a director who is knowingly and wilfully guilty of a default in complying with this section.

132. (1) The balance-sheet shall contain a summary of the property and assets and of the capital and liabilities of the company giving such particulars as will disclose the general nature of those liabilities and assets and how the value of the fixed assets has been arrived at. Contents of balance-sheet.

(2) The balance-sheet shall be in the form marked F in the Third Schedule or as near thereto as circumstances admit.

(3) The profit and loss account shall include particulars showing the total of the amount paid whether as fees, percentages or otherwise to the managing agent, if any, and the directors respectively as remuneration for their services and, where a special resolution passed by the members of the company so requires, to the manager, and the total of the amount written off for depreciation. If any director of the company is by virtue of the nomination, whether direct or indirect, of the company, a director of any other company, any remuneration or other emoluments received by him for his own use, whether as a director of, or otherwise in connection with the management of, that other company, shall be shown in a note at the foot of the account or in a statement attached thereto.

132-A. (1) Where a company, in this Act referred to as the holding company, holds shares, either directly or through a nominee, in a subsidiary company or in two or more subsidiary companies, there shall be annexed to the balance-sheet of the holding company the last audited balance-sheet, profit and loss account and auditors' report of the subsidiary company or companies, and a statement signed by the persons by whom, in pursuance of section 133 the balance-sheet of the holding company is signed stating how the profits and losses of the subsidiary company, or, where there are two or more subsidiary companies, the aggregate profits and losses of those companies have been dealt with in or for the purposes of the accounts of the holding company, and in particular how and to what extent— Balance-sheet to include particulars as to subsidiary companies.

(*a*) provision has been made for the losses of a subsidiary company either in the accounts of that company or of the holding company or of both, and

(*b*) losses of a subsidiary company have been taken into account by the directors of the holding company in arriving at the profits and losses of the company as disclosed in its accounts :

Provided that it shall not be necessary to specify in any such statement the actual amount of the profits or losses of any subsidiary company or the actual amount of any part of any such profits or losses which has been dealt with in any particular manner:

Provided further that for the purposes of this section an investment company, that is to say, a company whose principal business is the acquisition and holding of shares, stocks, debentures or other securities, shall not be deemed to be a holding company by reason only that part of its assets consists in 51 per cent or more of the shares of another company.

(2) If, in the case of a subsidiary company, the auditors' report on the balance-sheet of the company does not state without qualification that the auditors have obtained all the information and explanations they have required and that the balance-sheet is properly drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them and as shown by the books of the company, the statement, which is to be annexed as aforesaid to the balance-sheet of the holding company, shall contain particulars of the manner in which the report is qualified.

(3) For the purposes of this section the profits or losses of a subsidiary company mean the profits or losses shown in any accounts of the subsidiary company made up to a date within the period to which the accounts of the holding company relate, or, if there are no such accounts of the subsidiary company available at the time when the accounts of the holding company are made up, the profits or losses shown in the last previous accounts of the subsidiary company which become available within that period.

(4) If for any reason the directors of the holding company are unable to obtain such information as is necessary for the preparation of the statement aforesaid, the directors who sign the balance-sheet shall so report in writing and their report shall be annexed to the balance-sheet in lieu of the statement.

(5) The holding company may, by a resolution, authorize representatives named in the resolution to inspect the books of account kept in accordance with section 130 by any subsidiary company, and on such resolution being passed, those books of account shall be open to inspection by those representatives at any time during business hours.

(6) The rights conferred by section 138 upon members of a company may be exercised in respect of any subsidiary company by members of the holding company as if they were members of that subsidiary company.

Authentication of balance-sheet.

133. (1) Save as provided by sub-section (2), the balance-sheet and profit and loss account or income and expenditure account shall—

(*i*) in the case of a banking company, be signed by the manager or managing agent (if any) and, where there are more than three directors of the company, by at least three of these directors, and where there are not more than three directors, by all the directors;

(*ii*) in the case of any other company, be signed by two directors or, when there are less than two directors, by the sole director and by the manager or managing agent (if any) of the company.

(2) When the total number of directors of the company for the time being in Mysore is less than the number of directors whose signatures are required by sub-section (1), then the balance-sheet and profit and loss account or income and expenditure account shall be signed by all the directors for the time being in Mysore, or, if there is only one director for the time being in Mysore, by such director, but in such a case there shall be subjoined to the balance-sheet and profit and loss account or income and expenditure account a statement signed by such directors or director explaining the reason for non-compliance with the provisions of sub-section (1).

(3) If any default is made in laying before the company or in issuing a balance-sheet and profit and loss account or income and expenditure account as required by section 131 or if any balance-sheet and profit and loss account or income and expenditure account is issued, circulated or published which does not comply with the requirements laid down by and under section 131, section 132, section 132-A and this section, the company and every officer of the company who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to five hundred rupees.

Copies of balance-sheet to be forwarded to the registrar.

134. (1) After the balance-sheet and profit and loss account or the income and expenditure account, as the case may be, has been laid before the company at the general meeting, three copies thereof signed by the manager

or secretary of the company shall be filed with the registrar at the same time as the copy of the annual list of members and summary prepared in accordance with the requirements of section 32.

(2) If the general meeting before which a balance-sheet is laid does not adopt the balance-sheet, a statement of that fact and of the reasons therefor shall be annexed to the balance-sheet and to the copies thereof required to be filed with the registrar.

(3) This section shall not apply to a private company.

(4) If a company makes default in complying with the requirements of this section, the company and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty as is provided by section 32 for a default in complying with the provisions of that section.

Right of member of company to copies of the balance-sheet and the auditor's report.

135. Save as otherwise provided in this Act, any member of a company shall be entitled to be furnished with copies of the balance-sheet and the profit and loss account or the income and expenditure account and the auditor's report at a charge not exceeding six annas for every hundred words or fractional part thereof.

STATEMENT TO BE PUBLISHED BY BANKING AND CERTAIN OTHER COMPANIES.

Certain companies to publish statement in schedule.

136. (1) Every company being a limited banking company or an insurance company or a deposit, provident or benefit society shall, before it commences business, and also on the first Monday in February and the first Monday in August in every year during which it carries on business, make a statement in the form marked G in the Third Schedule, or as near thereto as circumstances will admit.

(2) A copy of the statement together with a copy of the last audited balance-sheet laid before the members of the company shall be displayed and, until the display of the next following statement, kept displayed in a conspicuous place in the registered office of the company, and in every branch office or place where the business of the company is carried on.

(3) Every member and every creditor of the company shall be entitled to a copy of the statement on payment of a sum not exceeding eight annas.

(4) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty.

(5) This section shall not apply to a life insurance company or provident insurance society to which the provisions of the Mysore Insurance Act, 1938, as to the annual statements to be made by such company or society, apply with or without modifications, if the company or society complies with those provisions.

INVESTIGATION BY THE REGISTRAR.

Power of Registrar to call for information or explanation.

137. (1) Where the registrar, on perusal of any document which a company is required to submit to him under the provisions of this Act, is of opinion that any information or explanation is necessary in order that such document may afford full particulars of the matter to which it purports to relate, he may, by a written order, call on the company submitting the document to furnish in writing such information or explanation within such time as he may specify in his order.

(2) On the receipt of an order under sub-section (1), it shall be the duty of all persons who are or have been officers of the company to furnish such information or explanation to the best of their power.

(3) If any such person refuses or neglects to furnish any such information or explanation, he shall be liable to a fine not exceeding fifty rupees in respect of each offence, and the Court may on the application of the registrar and upon notice to the company make an order on the company for production of such documents as in its opinion may reasonably be required by the registar for his investigation and allow the registrar inspection thereof on such terms and conditions as it thinks fit.

(4) On receipt of such information or explanation the registrar may annex the same to the original document submitted to him; and any additional document so annexed by the registrar shall be subject to the like provisions as to inspection and the taking of copies as the original document is subject.

(5) If such information or explanation is not furnished within the specified time, or if after perusal of such information or explanation the registrar is of opinion that

the document in question discloses an unsatisfactory state of affairs, or that it does not disclose a full and fair statement of the matters to which it purports to relate, the registrar shall report in writing the circumstances of the case to the Government.

(6) If it is represented to the registrar in materials placed before him by any contributory or creditor that the business of a company is carried on in fraud of its creditors or in fraud of persons dealing with the company or for a fraudulent purpose, he may after giving the company an opportunity of being heard by written order call on the company for information or explanation on matters specified in the order within such time as he may specify in the order and the provisions of sub-section (2), (3) and (5) of this section shall apply to such order. If upon investigation the registrar is satisfied that any representation on which he has taken action under this sub-section is frivolous or vexatious, he shall disclose the identity of the informant to the company.

(7) The provisions of this section shall apply *mutatis mutandis* to documents which a liquidator is required to file under this Act.

INSPECTION AND AUDIT.

Investigatoin of affairs of company by inspectors.

138. The Government may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Government may direct—

(*i*) in the case of a banking company having a share capital, on the application of members holding not less than one-fifth of the shares issued;

(*ii*) in the case of any other company having a share capital, on the application of members holding not less than one-tenth of the shares issued;

(*iii*) in the case of a company not having a share capital, on the application of not less than one-fifth in number of the persons on the company's register of members;

(*iv*) in the case of any company, on a report by the registrar under section 137, sub-section (5).

Application for inspection tobe supported by evidence.

139. An application by members of a company under section 138 shall be supported by such evidence as the Government may require for the purpose of showing that the applicants have good reason for, and are not actuated

by malicious motive in, requiring the investigation; and the Government may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

Inspection of books and examination of officers.

140. (1) It shall be the duty of all persons who are or have been officers of the company to produce to the inspectors all books and documents in their custody or power relating to the company.

(2) An inspector may examine on oath any such person in relation to its business, and may administer an oath accordingly.

(3) If any person refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable to a fine not exceeding fifty rupees in respect of each offence.

Results of examination how dealt with.

141. (1) On the conclusion of the investigation, the inspectors shall report their opinion to the Government and a copy of the report shall be forwarded by the Government to the registrar and another copy to the registered office of the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

(2) The report shall be written or printed, as the Government directs.

(3) All expenses of, and incidental to, the investigation shall be defrayed by the applicants unless the Government directs the same to be paid by the company, which the Government is hereby authorized to do:

Provided that the expenses of, and incidental to, an investigation held in pursuance of clause (iv) of section 138 shall be paid out of the assets of the company and shall be recoverable as an arrear of land revenue.

(4) The registrar shall keep the copy of the report sent to him with the records of the company in his custody.

Institution of prosecutions.

141-A. (1) If from any report made under section 138 it appears to the Government that any person has been guilty of any offence in relation to the company for which he is criminally liable, the Government shall refer the matter to the Government Advocate or any other officer duly authorized by the Government in this behalf.

(2) If the officer to whom the matter is referred considers that the case is one in which a prosecution ought to be instituted, he shall cause proceedings to be

instituted, and it shall be the duty of all officers and agents of the company, past and present (other than the accused in the proceedings), to give to him all assistance in connection with the prosecution which they are reasonably able to give.

(3) For the purposes of sub-section (2), the expression "agents" in relation to a company shall be deemed to include the bankers and legal advisers of the company and any persons employed by the company as auditors, whether those persons are or are not officers of the company.

(4) Any director, manager or other officer of the company convicted as the result of a prosecution initiated under this section shall not without the leave of the Court be a director of or in any way whether directly or indirectly be concerned in or take part in the management of a company for a period of five years from the date of such conviction.

Power of company to appoint inspectors.

142. (1) A company may by special resolution appoint inspectors to investigate its affairs.

(2) Inspectors so appointed shall have the same powers and duties as inspectors appointed by the Government, except that, instead of reporting to the Government, they shall report in such manner and to such persons as the company in general meeting may direct.

(3) All persons who are or have been officers of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Government.

Report of inspectors to be evidence.

143. A copy of the report of any inspectors appointed under this Act, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report.

Qualifications and appointment of auditors.

144. (1) No person shall be appointed or act as an auditor of any company other than a private company not being the subsidiary company of a public company unless he holds a certificate from the Government entitling him to act as an auditor of companies:

Provided that a firm whereof all the persons practising in Mysore hold such certificates may be appointed by its firm-name to be auditor of company and may act in its firm-name.

(2) The Government may, by notification in the official Gazette and after previous publication, make rules providing for the grant, renewal or cancellation of such certificates and prescribing conditions and restrictions for such grant, renewal or cancellation. The holder of such a certificate shall be entitled to act as an auditor of companies throughout Mysore unless such certificate restricts or limits the exercise of the right.

(3) Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

(4) If an appointment of an auditor is not made at an annual general meeting, the Government may, on the application of any member of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

(5) The following persons: that is to say,—

(*i*) a director or officer of the company; and

(*ii*) a partner of such director or officer; and

(*iii*) in the case of a company other than a private company not being the subsidiary company of a public company, any person in the employment of such director or officer, and

(*iv*) any person indebted to the company;

shall not be appointed auditors of the company and if any person after being appointed auditor becomes indebted to the company his appointment shall thereupon be terminated.

(6) A person, other than a retiring auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice of an intention to nominate that person to the office of auditor has been given by a member of the company to the company not less than fourteen days before such annual general meeting, and the company shall send a copy of any such notice to the retiring auditor, and shall give notice thereof to its members either by advertisement or in any other mode allowed by the articles not less than seven days before the annual general meeting:

Provided that, if after notice of the intention to nominate an auditor has been given to the company, an annual general meeting is called for a date fourteen days or less after the notice has been given, the requirements of this section as to time in respect of such a notice shall be deemed to have been satisfied, and the notice to be sent or given by the company may, instead of being sent or given within the time required by this section, be sent or given at the same time as the notice of the annual general meeting.

(7) The first auditors of the company may be appointed by the directors before the statutory meeting, and if so appointed shall hold office until the first annual general meeting, unless previously removed by a resolution of the members of the company in general meeting, in which case such members at that meeting may appoint auditors.

(8) The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) may act.

(9) The remuneration of the auditors of a company shall be fixed by the company in general meeting, except that the remuneration of any auditors appointed before the statutory meeting, or to fill any casual vacancy, may be fixed by the directors.

Powers and duties of auditors.

145. (1) Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the members of the company on the accounts examined by them, and on every balance-sheet and profit and loss account laid before the company in general meeting during their tenure of office, and the report shall state :—

(*a*) whether or not they have obtained all the information and explanations they have required ; and

(*b*) whether or not in their opinion the balance-sheet and the profit and loss account referred to in the report are drawn up in conformity with the law ; and

(*c*) whether or not such balance-sheet exhibits a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company; and

(*d*) whether in their opinion books of account have been kept by the company as required by section 130.

(2-A) Where any of the matters referred to in clauses (*a*), (*b*), (*c*) and (*d*) of sub-section (2) is answered in the negative or with a qualification, the report shall state the reason for such answer.

(3) In the case of a banking company, if the company has branch banks beyond the limits of Mysore, it shall be sufficient if the auditor is allowed access to such copies of and extracts from the books and accounts of any such branch as have been transmitted to the head office of the company in Mysore.

(4) The auditors of a company shall be entitled to receive notice of and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

(5) If any auditor's report is made which does not comply with the requirements of this section, every auditor who is knowingly and wilfully a party to the default shall be punishable with fine which may extend to one hundred rupees.

Rights of preference shareholders, etc., as to receipts and inspection of reports, etc.

146. (1) Holders of preference shares and debentures of a company shall have the same right to receive and inspect the balance-sheets and profit and loss accounts of the company and the reports of the auditors and other reports as is possessed by the holders of ordinary shares in the company.

(2) This section shall not apply to a private company, nor to a company registered before the commencement of this Act:

Provided that, in the case of any public company whether registered before or after the commencement of this Act, the trustees for holders of debentures shall have the right conferred by sub-section (1) on holders of preference shares and debentures of a company.

CARRYING ON BUSINESS WITH LESS THAN THE LEGAL MINIMUM OF MEMBERS.

Liability for carrying on business with fewer than seven or, in the case of a private company, two members.

147. If at any time the number of members of a company is reduced, in the case of a private company, below two, or in the case of any other company, below seven, and it carries on business for more than six months while the number is so reduced, every person who is a member of the company during the time that it so carries on business after those six months and is cognizant of the fact that it is carrying on business with fewer than two members or seven members, as the case may be, shall be severally liable for the payment of the whole debts of the company contracted during that time, and may be sued for the same without joinder in the suit of any other member.

SERVICE AND AUTHENTICATION OF DOCUMENTS.

Service of documents on company.

148. A document may be served on a company by leaving it at, or sending it by post to, the registered office of the company.

Service of documents on registrar.

149. A document may be served on the registrar by sending it to him by post, or delivering it to him, or by leaving it for him at his office.

Authentication of documents.

150. A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorized officer of the company, and need not be under its common seal.

TABLES, FORMS AND RULES AS TO PRESCRIBED MATTERS.

Application and alteration of tables and forms, and power to make rules as to prescribed matters.

151. (1) The forms in the Third Schedule or forms as near thereto as circumstances admit shall be used in all matters to which those forms refer.

(2) The Government may alter any of the tables and forms in the First Schedule, so that it does not increase the amount of fees payable to the registrar in the said Schedule mentioned, and may alter or add to the forms in the Third Schedule.

(3) Any such table or form, when altered, shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Act, but no alteration made by the Government in Table A in the

First Schedule shall affect any company registered before the alteration, or repeal, as respects that company, any portion of that table.

(4) In addition to the powers hereinbefore conferred by this section, the Government shall have power to make rules providing for all or any matters which by this Act are to be prescribed by its authority.

(5) Every such rule shall be published in the official Gazette, and on such publication shall have effect as if enacted in this Act.

Arbitration and Compromise.

Power for companies to refer matters to arbitration.

152. (1) A company may by written agreement refer to arbitration, in accordance with the Mysore Arbitration Act, 1917, an existing or future difference between itself and any other company or person.

(2) Companies, parties to the arbitration, may delegate to the arbitrator power to settle any terms or to determine any matter capable of being lawfully settled or determined by the companies themselves, or by their directors or other managing body.

(3) The provisions of the Mysore Arbitration Act, 1917, other than those restricting the application of the Act in respect of the subject matter of the arbitration, shall apply to all arbitrations between companies and persons in persuance of this Act.

Power to compromise with creditors and members.

153. (1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be called, held and conducted in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on all

members or class of members, as the case may be, and also on the company, or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) An order made under sub-section (2) shall have no effect until a certified copy of the order has been filed with the registrar, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

(4) If a company makes default in complying with sub-section (3) the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding ten rupees for each copy in respect of which default is made.

(5) The Court may, at any time after an application has been made to it under this section, stay the commencement or continuation of any suit or proceeding against a company on such terms as it thinks fit and proper until the application is finally disposed of.

(6) In this section the expression "company" means any company liable to be wound up under this Act, and for the purposes of this section unsecured creditors who may have filed suits or obtained decrees shall be deemed to be of the same class as other unsecured creditors.

(7) An appeal shall lie from any order made by the Court exercising original jurisdiction under this section to the authority authorized to hear appeals from the decisions of the Court.

Provisions for facilitating arrangements and compromises.

153-A. (1) Where an application is made to the Court under section 153 for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (in this section referred to as a

'transferor company') is to be transferred to another company (in this section referred to as 'the transferee company'),the Court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters :—

(*a*) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(*b*) the alloting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(*c*) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(*d*) the dissolution, without winding up, of any transferor company;

(*e*) the provision to be made for any persons who, within such time and in such manner as the Court directs, dissent from the compromise or arrangement;

(*f*) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause a certified copy thereof to be delivered to the registrar for registration within fourteen days after the completion of the order, and if default is made in complying with this sub-section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding fifty rupees.

(4) In this section the expression 'property' includes property, rights and powers of every description, and the expression 'liabilities' includes duties.

(5) Notwithstanding the provisions of sub-section (6) of section 153, the expression 'company' in this section does not include any company other than a company within the meaning of this Act.

Power to acquire shares of share-holders dissenting from scheme or contract approved by majority.

153-B. (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as 'the transferor company') to another company, whether a company within the meaning of this Act or not (in this section referred to as 'the transferee company'), has within four months after the making of the offer in that behalf by the transferee company been approved by the holders of not less than three-fourths in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting share-holder that it desires to acquire his shares, and where such a notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company:

Provided that, where any such scheme or contract has been so approved at any time before the commencement of this Act, the Court may by order, on an application made to it by the transferee company within two months after the commencement of this Act, authorize notice to be given under this section at any time within fourteen days after the making of the order, and this section shall apply accordingly, except that the terms on which the shares of the dissenting shareholder are to be acquired shall be such terms as the Court may by the order direct instead of the terms provided by the scheme or contract.

(2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given, or, if an application to the Court by the

dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression 'dissenting shareholder' includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract.

Conversion of Private Company into Public Company.

Conversion private company in public company.

154. (i) If a company, being a private company, alters its articles in such manner that they no longer include the provisions which, under the provisions of clause (13) of sub-section (1) of section 2, are required to be included in the articles of a company in order to constitute it a private company, the company shall, as on the date of the alteration, cease to be a private company and shall, within a period of fourteen days after the said date, file with the registrar a prospectus or a statement in lieu of prospectus in the form and containing the particulars set out in the form marked II in the Second Schedule.

(2) If default is made in complying with sub-section (1) of this section, the company and every officer of the company who is knowingly and wilfully in default shall be liable to a fine not exceeding five hundred rupees.

(3) Where the articles of a company include the provisions aforesaid but default is made in complying with any of those provisions, the company shall cease to be entitled to the privileges and exemptions conferred on private companies under the provisions contained in this

Act, and thereupon the provisions of this Act shall apply to the company as if it were not a private company:

Provided that the Court, on being satisfied that the failure to comply with the conditions was accidental or due to inadvertence or to some other sufficient cause, or that on other grounds it is just and equitable to grant relief, may, on the application of the company or any other person interested and on such terms and conditions as seem to the Court just and expedient, order that the company be relieved from such consequences as aforesaid.

PART V.

Winding up.

PRELIMINARY.

Mode of winding up.

155. (1) The winding up of a company may be either—

(i) by the Court; or
(ii) voluntary; or
(iii) subject to the supervision of the Court.

(2) The provisions of this Act with respect to winding up apply, unless the contrary appears, to the winding up of a company in any of these modes.

CONTRIBUTORIES.

Liability as contributories of present and past members.

156. (1) In the event of a company being wound up, every present and past member shall, subject to the provisions of this section, be liable to contribute to the assets of the company to an amount sufficient for payment of its debts and liabilities and the costs, charges and expenses of the winding up, and for the adjustment of the rights of the contributories among themselves, with the qualifications following (that is to say):—

(i) a past member shall not be liable to contribute if he has ceased to be a member for one year or upwards before the commencement of the winding up:

(ii) a past member shall not be liable to contribute in respect of any debt or liability of the company contracted after he ceased to be a member;

(iii) a past member shall not be liable to contribute unless it appears to the Court that the existing members are unable to satisfy the contributions required to be made by them in pursuance of this Act;

(iv) in the case of a company limited by shares, no contribution shall be required from any member exceeding the amount (if any) unpaid on the shares in respect to which he is liable as a present or past member;

(v) in the case of a company limited by guarantee, no contribution shall be required from any member exceeding the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up;

(vi) nothing in this Act shall invalidate any provision contained in any policy of insurance or other contract whereby the liability of individual members on the policy or contract is restricted, or whereby the funds of the company are alone made liable in respect of the policy or contract;

(vii) a sum due to any member of a company in his character of a member, by way of dividends, profits or otherwise, shall not be deemed to be a debt of the company payable to that member in a case of competition between himself and any other creditor not a member of the company; but any such sum may be taken into account for the purpose of the final adjustments of the rights of the contributories among themselves.

(2) In the winding up of a company limited by guarantee which has a share capital, every member of the company shall be liable, in addition to the amount undertaken to be contributed by him to the assets of the company in the event of its being wound up, to contribute to the extent of any sums unpaid on any shares held by him.

157. In the winding up of a limited company, any director whether past or present, whose liability is, in pursuance of this Act, unlimited, shall, in addition to his liability (if any) to contribute as an ordinary member, be liable to make a further contribution as if he were

Liability of directors whose liability is unlimited.

at the commencement of the winding up a member of an unlimited company:

Provided that—

(i) a past director shall not be liable to make such further contribution if he has ceased to hold office for a year or upwards before the commencement of the winding up;

(ii) a past director shall not be liable to make such further contribution in respect of any debt or liability of the company contracted after he ceased to hold office;

(iii) subject to the articles a director shall not be liable to make such further contribution unless the Court deems it necessary to require that contribution in order to satisfy the debts and liabilities of the company, and the costs, charges and expenses of the winding up.

Meaning of "contributory."

158. The term "contributory" means every person liable to contribute to the assets of a company in the event of its being wound up, and, in all proceedings for determining and in all proceedings prior to the final determination of the persons who are to be deemed contributories, includes any person alleged to be a contributory.

Nature of liability of contributory.

159. (1) The liability of a contributory shall create a debt payable at the time specified in the calls made on him by the liquidator.

(2) No claim founded on the liability of a contributory shall be cognizable by any Court of Small Causes.

Contributories in case of death of member.

160. (1) If a contributory dies either before or after he has been placed on the list of contributories, his legal representatives and his heirs shall be liable in a due course of administration to contribute to the assets of the company in discharge of his liability and shall be contributories accordingly.

(2) If the legal representatives or heirs make default in paying any money ordered to be paid by them, proceedings may be taken for administering the property of the deceased contributory, whether movable or immovable, or both, and of compelling payment thereout of the money due.

(3) For the purposes of this section the surviving co-parceners of a contributory who is a member of a Hindu joint-family governed by the Mitakshara School of Hindu Law shall be deemed to be his legal representatives and heirs.

161. If a contributory is adjudged insolvent either before or after he has been placed on the list of contributories, then— Contributories in case of insolvency of members.

(1) his assignees shall represent him for all the purposes of the winding up, and shall be contributories accordingly, and may be called on to admit to proof against the estate of the insolvent, or otherwise to allow to be paid out of his assets in due course of law, any money due from the insolvent in respect of his liability to contribute to the assets of the company; and

(2) there may be proved against the estate of the insolvent the estimated value of his liability to future calls as well as calls already made.

WINDING UP BY COURT.

162. A company may be wound up by the Court— Circumstances in which company may be wound up by Court.

(i) if the company has by special resolution resolved that the company be wound up by the Court;

(ii) if default is made in filing the statutory report or in holding the statutory meeting;

(iii) if the company does not commence its business within a year from its incorporation, or suspends its business for a whole year;

(iv) if the number of members is reduced, in the case of a private company, below two or, in the case of any other company, below seven;

(v) if the company is unable to pay its debts;

(vi) if the company fails to alter its name, when required to do so under proviso to sub-section 3 of section 11;

(vii) if the Court is of opinion that it is just and equitable that the company should be wound up.

163. (1) A company shall be deemed to be unable to pay its debts— Company when deemed unable to pay its debts.

(i) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company, by causing the same to be delivered by registered post or otherwise at its registered office, a demand under his hand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum, or to

secure or compound for it to the reasonable satisfaction of the creditor; or

(ii) if execution or other process issued on a decree or order of any Court in favour of a creditor of the company is returned unsatisfied in whole or in part; or

(iii) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, and, in determining whether a company is unable to pay its debts, the Court shall take into account the contingent and prospective liabilities of the company.

(2) The demand referred to in clause (i) of sub-section (1) shall be deemed to have been duly given under the hand of the creditor if it is signed by an agent or legal adviser duly authorized on his behalf, or in the case of a firm if it is signed by such agent or by a legal adviser or any one member of a firm on behalf of the firm.

Winding up may be referred to District Court.

164. Where the High Court makes an order for winding up a company under this Act, it may, if it thinks fit, direct all subsequent proceedings to be had in a District Court; and thereupon such District Court shall for the purpose of winding up the company, be deemed to be "the Court" within the meaning of this Act and shall have, for the purposes of such winding up, all the jurisdiction and powers of the High Court.

Transfer of winding up from one District Court to another

165. If during the progress of a winding up in a District Court it is made to appear to the High Court that the same could be more conveniently prosecuted in any other District Court having jurisdiction to wind up companies, the High Court may transfer the same to such other Court, and thereupon the winding up shall proceed in such other District Court.

Provisions as to applications for winding up.

166. An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), contributory or contributories, or by all or any of those parties together or separately, or by the registrar:

Provided that—

(*a*) a contributory shall not be entitled to present a petition for winding up a company unless—

(i) either the number of members is reduced, in the case of a private company, below two,

or, in the case of any other company, below seven ; or

(ii) the shares in respect of which he is a contributory or some of them either were originally allotted to him or have been held by him, and registered in his name, for at least six months during the eigthteen months before the commencement of the winding up, or have devolved on him through the death of a former holder ;

(*aa*) the registrar shall not be entitled to present a petition for winding up a company—

(i) except on the ground that from the financial condition of the company as disclosed in its balance-sheet or from the report of an inspector appointed under section 138 it appears that the company is unable to pay its debts, and

(ii) unless the previous sanction of the Government has been obtained to the presentation of the petition :

Provided that no such sanction shall be given unless the company has first been afforded an opportunity of being heard.

(*b*) a petition for winding up a company on the ground of default on filing the statutory report or in holding the statutory meeting shall not be presented by any person except a shareholder, nor before the expiration of fourteen days after the last day on which the meeting ought to have been held ;

(*c*) the Court shall not give a hearing to a petition for winding up a company by a contingent or prospective creditor until such security for costs has been given as the Court thinks reasonable and until a *prima facie* case for winding up has been established to the satisfaction of the Court.

167. An order for winding up a company shall operate in favour of all the creditors and of all the contributories of the company as if made on the joint petition of a creditor and of a contributory. **Effect of winding up order.**

168. A winding up of a company by the Court shall be deemed to commence at the time of the presentation of the petition for the winding up. **Commencement of winding up by Court.**

Court may grant injunction.

169. The Court may, at any time after the presentation of the petition for winding up a company under this Act, and before making an order for winding up the company, upon the application of the company or of any creditor or contributory of the company, restrain further proceedings in any suit or proceeding against the company upon such terms as the Court thinks fit.

Powers of Court on hearing petition.

170. (1) On hearing the petition the Court may dismiss it with or without costs, or adjourn the hearing conditionally or unconditionally, or make any interim order or any other order that it deems just, but the Court shall not refuse to make a winding up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets, or that the company has no assets.

(2) Where the petition is presented on the ground of default in filing the statutory report or in holding the statutory meeting, the Court may order the costs to be paid by any persons who, in the opinion of the Court, are responsible for the default.

(3) Where the Court makes an order for the winding up of a company it shall, except where a liquidator is appointed simultaneously, forthwith cause intimation thereof to be sent to the official receiver.

Suits stayed on winding up order.

171. When a winding up order has been made or a provisional liquidator has been appointed, no suit or other legal proceeding shall he proceeded with or commenced against the company except by leave of the Court, and subject to such terms as the Court may impose.

Vacancy in the office of liquidator.

171-A. (1) For the purposes of this Act so far as it relates to the winding up of companies by the Court, the term 'official receiver' means the official receiver, attached to the Court, or, if there is no such official receiver, then such person as the Government may, by notification in the official Gazette, appoint for the purpose.

(2) On the making of a winding up order, the official receiver shall become the official liquidator of the company and shall continue to act as such until his further continuance is terminated by an order of the Court.

(3) The official receiver shall as such official liquidator forthwith take into his custody and control all the books, documents and the assets of the company.

(4) The official receiver shall be entitled to such remuneration as the Court shall fix.

172. (1) On the making of a winding up order it shall be the duty of the petitioner in the winding up proceedings and of the company to file with the registrar a copy of the order within a month from the date of the making of the order.

Copy of winding up order to be filed with registrar.

(2) On the filing of a copy of winding up order, the registrar shall make a minute thereof in his books relating to the company, and shall notify in the official Gazette that such an order has been made.

(3) Such order shall be deemed to be notice of discharge to the servants of the company, except when the business of the company is continued.

173. The Court may at any time after an order for winding up, on the application of any creditor or contributory, and on proof to the satisfaction of the Court that all proceedings in relation to the winding up ought to be stayed, make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.

Power of Court to stay winding up.

174. The Court may, as to all matters relating to a winding up, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors or contributories.

Official Liquidators.

175. (1) For the purpose of conducting the proceedings in winding up a company and performing such duties in reference thereto as the Court may impose, the Court may appoint a person or persons other than the official receiver, to be called an official liquidator or official liquidators.

Appointment of official liquidators.

(2) The Court may make such an appointment provisionally at any time after the presentation of a petition and before the making of an order for winding up, but shall before making any such appointment give notice to the company, unless for reasons to be recorded it thinks fit to dispense with notice.

(3) If more persons than one are appointed to the office of official liquidator, the Court shall declare whether any act by this Act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons.

(4) The Court may determine whether any, and what, security is to be given by any official liquidator on his appointment.

(5) The acts of an official liquidator shall be valid notwithstanding any defect that may aftewards be discovered in his appointment: Provided that nothing in this sub-section shall be deemed to give validity to acts done by an official liquidator after his appointment has been shown to be invalid.

(6) A receiver shall not be appointed of assets in the hands of an official liquidator.

Resignations, removals, filling up vacancies and compensation.

176. (1) Any official liquidator may resign or be removed by the Court on due cause shown.

(2) Any vacancy in the office of an official liquidator appointed by the Court shall be filled up by the Court and until the vacancy is so filled up the official receiver shall be and act as the official liquidator.

(3) There shall be paid to the official liquidator such salary or remuneration, by way of percentage or otherwise, as the Court may direct; and, if more liquidators than one are appointed, such remuneration shall be distributed amongst them in such proportions as the Court directs.

Official liquidator.

177. The official liquidator shall be described by the style of the official liquidator of the particular company in respect of which he is appointed, and not by his individual name.

Statement of affairs to be made to the liquidator.

177-A. (1) Where the Court has made a winding up order or appointed an official liquidator provisionally, there shall, unless the Court thinks fit to order otherwise and so orders, be made out and submitted to the official liquidator a statement as to the affairs of the company verified by an affidavit and containing the following particulars, namely:—

(*a*) the assets of the company, stating separately the cash balance in hand and at the bank, if any;

(*b*) the debts and liabilities;

(*c*) the names, residences and occupations of the creditors stating separately the amount of secured debts and unsecured debts, and in the case of secured debts particulars of the securities, their value and the dates when they were given.

(*d*) the debts due to the company and the names, residences and occupations of the persons from whom they are due and the amount likely to be realised therefrom.

(2) The statement shall be submitted and verified by one or more of the persons who are at the relevant date the directors and by the person who is at that date the secretary, manager or other chief officer of the company, or by such of the persons hereinafter in this sub-section mentioned as the official liquidator, subject to the direction of the Court, may require to submit and verify the statement, that is to say, persons—

(*a*) who are or have been directors or officers of the company;

(*b*) who have taken part in the formation of the company at any time within one year before the relevant date;

(*c*) who are in the employment of the company, or have been in the employment of the company within the said year, and are in the opinion of the official liquidator capable of giving the information required;

(*d*) who are or have been within the said year officers of or in the employment of a company, which is, or within the said year was, an officer of the company to which the statement relates.

(3) The statement shall be submitted within twenty-one days from the relevant date, or within such extended time as the official liquidator or the Court may for special reasons appoint.

(4) Any person making or concurring in making the statement and affidavit required by this section shall be allowed, and shall be paid by the official liquidator or provisional liquidator, as the case may be, out of the assets of the company, such costs and expenses incurred in and about the preparation and making of the statement and affidavit as the official liquidator may consider reasonable, subject to an appeal to the Court.

(5) If any person, without reasonable excuse, knowingly and wilfully makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding one hundred rupees for every day during which the default continues.

(6) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled by himself or by his agent at all reasonable times, on payment of the prescribed fee, to inspect the statement

submitted in pursuance of this section, and to a copy thereof or extract therefrom.

(7) Any person untruthfully so stating himself to be a creditor or contributory shall be guilty of an offence under section 182 of the Indian Penal Code and shall, on the application of the liquidator or of the official receiver, be punishable accordingly.

(8) In this section the expression "the relevant date" means, in a case where a provisional liquidator is appointed, the date of his appointment, and in a case where no such appointment is made, the date of the winding up order.

Statement by liquidator.

117-B. (1) In a case where a winding up order is made, the official liquidator shall, as soon as practicable after receipt of the statement to be submitted under section 177-A, and not later than four, or with the leave of the Court, six months from the date of the order, or in a case where the Court orders that no statement shall be submitted, as soon as practicable after the date of the order, submit a preliminary report to the Court—

(*a*) as to the amount of capital issued, subscribed, and paid-up, and the estimated amount of assets and liabilities, giving separately under the heading of assets particulars of—
- (i) cash and negotiable securities;
- (ii) debts due from contributories;
- (iii) debts due to and securities, if any, available to the company;
- (iv) movable and immovable properties belonging to the company;
- (v) unpaid calls; and

(*b*) if the company has failed, as to the causes of the failure; and

(*c*) whether in his opinion further inquiry is desirable as to any matter relating to the promotion, formation, or failure of the company, or the conduct of the business thereof.

(2) The official liquidator may also, if he thinks fit, make a further report, or further reports, stating the manner in which the company was formed and whether in his opinion any fraud has been committed by any person in its promotion or formation, or by any director or other officer of the company in relation to the company since the formation thereof, and any other matters which

in his opinion it is desirable to bring to the notice of the Court.

178. (1) The official liquidator whether appointed provisionally or not shall take into his custody, or under his control, all the property, effects and actionable claims to which the company is or appears to be entitled.

Custody of company's property.

(2) All the property and effects of the company shall be deemed to be in the custody of the Court as from the date of the order for the winding up of the company.

178-A. (1) The official liquidator shall within a month from the date of the order for the winding up of a company convene a meeting of the creditors of the company (as ascertained from the books and documents of the company) for the purpose of determining whether or not a committee of inspection shall be appointed to act with the liquidator, and who are to be members of the committee, if appointed.

Committee of inspection in compulsory winding up.

(2) The official liquidator shall within a week from the date of the creditors' meeting convene a meeting of the contributories to consider the decision of the creditors and to accept the same with or without modifications.

(3) If the contributories do not accept the decision of the creditors in its entirety, it shall be the duty of the official liquidator to apply to the Court for directions as to whether there shall be a committee of inspection and, if so, what shall be the composition of the committee, and who shall be members thereof.

(4) A committee of inspection appointed under this section shall consist of not more than twelve members being creditors and contributories of the company or persons holding general or special powers of attorney from creditors or contributories in such proportions as may be agreed on by the meetings of creditors and contributories, or as, in case of difference, may be determined by the Court.

(5) The committee of inspection shall have the right to inspect the accounts of the official liquidator at all reasonable times.

(6) The committee shall meet at such times as they may from time to time appoint, and, failing such appointment, at least once a month, and the liquidator or any member of the committee may also call a meeting of the committee as and when he thinks necessary.

(7) The committee may act by a majority of their members present at a meeting, but shall not act unless a majority of the committee are present.

(8) A member of the committe may resign by notice in writing signed by him and delivered to the liquidator.

(9) If a member of the committee becomes bankrupt, or compounds or arranges with his creditors, or is absent from five consecutive meetings of the committee without the leave of those members who together with himself represent the creditors or contributories, as the case may be, his office shall thereupon become vacant.

(10) A member of the committee may be removed by an ordinary resolution at a meeting of creditors if he represents creditors, or of contributories if he represents contributories, of which seven days' notice has been given, stating the object of the meeting.

(11) On a vacancy occurring in the committee the liquidator shall forthwith snmmon a meeting of creditors or of contributories, as the case may require, to fill the vacancy, and the meeting may, by resolution, re-appoint the same or appoint another creditor or contributory to fill the vacancy.

(12) The continuing members of the committee, if not less than two, may act notwithstanding any vacancy in the committee.

Powers of official liquidator.

179. The official liquidator shall have power, with the sanction of the Court, to do the following things:—

(*a*) to institute or defend any suit or prosecution, or other legal proceding, civil or criminal, in the name and on behalf of the company;

(*b*) to carry on the business of the company so far as may be necessary for the beneficial winding up of the same;

(*c*) to sell the immovable and movable property of the company by public auction or private contract, with power to transfer the whole thereof to any person or company, or to sell the same in parcels;

(*d*) to do all acts and to execute, in the name and on behalf of the company, all deeds, receipts, and other documents, and for that purpose to use, when necessary, the company's seal;

(*e*) to prove, rank and claim in the insolvency of any contributory, for any balance against his estate, and to receive dividends in the insolvency, in respect of that balance, as a separate debt due from the insolvent, and rateably with the other separate creditors;

(*f*) to draw, accept, make and endorse any bill of exchange, hundi or promissory note in the name and on behalf of the company, with the same effect with respect to the liability of the company as if the bill, hundi or note had been drawn, accepted, made or endorsed by or on behalf of the company in the course of its business;

(*g*) to raise on the security of the assets of the company any money requisite;

(*h*) to take out, in his official name, letters of administration to any deceased contributory, and to do in his official name any other act necessary for obtaining payment of any money due from a contributory or his estate which cannot be conveniently done in the name of the company; and in all such cases the money due shall, for the purpose of enabling the liquidator to take out the letters of administration or recover the money, be deemed to be due to the liquidator himself;

(*i*) to do all such other things as may be necessary for winding up the affairs of the company and distributing its assets.

Discretion of official liquidators.

180. The Court may provide by any order that the official liquidator may exercise any of the above powers without the sanction or intervention of the Court, and, where an official liquidator is provisionally appointed, may limit and restrict his powers by the order appointing him.

Provision for legal assistance to official liquidator.

181. The official liquidator may, with the sanction of the Court, appoint an advocate or pleader entitled to appear before the Court to assist him in the performance of his duties.

Official books to be kept by liquidator in winding up.

182. (1) The official liquidator of a company which is being wound up by the Court shall keep, in manner prescribed, proper books in which he shall cause to be made entries or minutes of proceedings at meetings, and of such other matters as may be prescribed, and any creditor or contributory may, subject to the control of the Court, personally or by his agent inspect any such books.

(2) Every official liquidator shall, at such times as may be prescribed but not less than twice in each year during his tenure of office, present to the Court an account of his receipts and payments as such liquidator.

(3) The account shall be in the prescribed form, shall be made in duplicate, and shall be verified by a declaration in the prescribed form.

(4) The Court shall cause the account to be audited in such manner as it thinks fit and for the purpose of the

audit the liquidator shall furnish the Court with such vouchers and information as the Court may require, and the Court may at any time require the production of and inspect any books or accounts kept by the liquidator.

(5) When the account has been audited, one copy thereof shall be filed and kept by the Court, and the other copy shall be delivered to the registrar for filing, and each copy shall be open to the inspection of any creditor, or of any person interested.

Exercise and control of liquidator's powers.

183. (1) Subject to the provisions of this Act the official liquidator of a company which is being wound up by the Court shall, in the administration of the assets of the company and in the distribution thereof among its creditors, have regard to any directions that may be given by resolution of the creditors or contributories at any general meeting or by the committee of inspection, and any directions given by the creditors or contributories at any general meeting shall in case of conflict be deemed to override any directions given by the committee of inspection.

(2) The official liquidator may summon general meetings of the creditors or contributories for the purpose of ascertaining their wishes, and it shall be his duty to summon meetings at such times as the creditors or contributories, by resolution, may direct, or whenever requested in writing to do so by one-tenth in value of the creditors or contributories, as the case may be.

(3) The official liquidator may apply to the Court in manner prescribed for directions in relation to any particular matter arising in the winding up.

(4) Subject to the provisions of this Act the official liquidator shall use his own discretion in the administration of the assets of the company and in the distribution thereof among the creditors.

(5) If any person is aggrieved by any act or decision of the official liquidator, that person may apply to the Court, and the Court may confirm, reverse or modify the act or dicision complained of, and make such order as it thinks just in the circumstances.

Ordinary Powers of Court.

Settlement of list of contributories and application of assets.

184. (1) As soon as may be after making a winding up order, the Court shall settle a list of contributories,

with power to rectify the register of members in all cases where rectification is required in pursuance of this Act, and shall cause the assets of the company to be collected and applied in discharge of its liabilities.

(2) In settling the list of contributories, the Court shall distinguish between persons who are contributories in their own right and persons who are contributories as being representatives of or liable for the debts of others.

Power to require delivery of property.

185. The Court may, at any time after making a winding up order, require any contributory for the time being settled on the list of contributories and any trustee, receiver, banker, agent, or officer of the company to pay, deliver, surrender or transfer forthwith, or within such time as the Court directs, to the official liquidator any money, property or documents in his hands to which the company is *prima facie* entitled.

Power to order payment of debts by contributory.

186. (1) The Court may, at any time after making a winding up order, make an order on any contributory for the time being settled on the list of contributories to pay, in manner directed by the order, any money due from him or from the estate of the person whom he represents to the company exclusive of any money payable by him or the estate by virtue of any call in pursuance of this Act.

(2) The Court in making such an order may, in the case of an unlimited company, allow to the contributory by way of set-off any money due to him or to the estate which he represents from the company on any independent dealing or contract with the company, but not any money due to him as a member of the company in respect of any dividend or profit; and may, in the case of a limited company, make to any director whose liability is unlimited or to his estate the like allowance:

Provided that, in the case of any company, whether limited or unlimited, when all the creditors are paid in full, any money due on any account whatever to a contributory from the company may be allowed to him by way of set-off against any subsequent call.

Power of Court to make calls.

187. (1) The Court may, at any time after making a winding up order, and either before or after it has ascertained the sufficiency of the assets of the company, make calls on and order payment thereof by all or any of the contributories for the time being settled on the list of the contributories to the extent of their liability, for payment of any money which the Court considers necessary

to satisfy the debts and liabilities of the company, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

(2) In making the call the Court may take into consideration the probability that some of the contributories may partly or wholly fail to pay the call.

Power to order payment into bank.

188. The Court may order any contributory, purchaser or other person from whom money is due to the company to pay the same into the account of the official liquidator in any bank approved by Government instead of to the official liquidator, and any such order may be enforced in the same manner as if it had directed payment to the official liquidator.

Regulation of account with Court.

189. All moneys, bills, hundis, notes and other securities paid and delivered into the bank where the liquidator of the company may have his account in the event of a company being wound up by the Court, shall be subject in all respects to the orders of the Court.

Order on contributory conclusive evidence.

190. (1) An order made by the Court on a contributory shall, subject to any right of appeal, be conclusive evidence that the money, if any, thereby appearing to be due or ordered to be paid is due.

(2) All other pertinent matters stated in the order shall be taken to be truly stated as against all persons, and in all proceedings whatsoever.

Power to exclude creditors not proving in time.

191. The Court may fix a time or times within which creditors are to prove their debts or claims, or to be excluded from the benefit of any distribution made before those debts are proved.

Adjustment of rights of contributories.

192. The Court shall adjust the rights of the contributories among themselves, and distribute any surplus among the persons entitled thereto.

Power to order costs.

193. The Court may, in the event of the assets being insufficient to satisfy the liabilities, make an order as to the payment out of the assets of the costs, charges and expenses incurred in the winding up in such order of priority as the Court thinks just.

Dissolution of company.

194. (1) When the affairs of a company have been completely wound up, the Court shall make an order that the company be dissolved from the date of the order, and the company shall be dissolved accordingly.

(2) The order shall be reported within fifteen days of the making thereof by the official liquidator to the registrar, who shall make in his books a minute of the dissolution of the company.

(3) If the official liquidator makes default in complying with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which he is in default.

EXTRAORDINARY POWERS OF COURT.

Power to summon persons suspected of having property of company.

195. (1) The Court may, after it has made a winding up order, summon before it any officer of the company or person known or suspected to have in his possession any property of the company, or supposed to be indebted to the company, or any person whom the Court deems capable of giving information concerning the trade, dealings, affairs or property of the company.

(2) The Court may examine him on oath concerning the same, either by word of mouth or on written interrogatories, and may reduce his answers to writing and require him to sign them.

(3) The Court may require him to produce any documents in his custody or power relating to the company; but, where he claims any lien on documents produced by him, the production shall be without prejudice to that lien, and the Court shall have jurisdiction in the winding up to determine all questions relating to that lien.

(4) If any person so summoned, after being tendered a reasonable sum for his expenses, refuses to come before the Court at the time appointed, not having a lawful impediment (made known to the Court at the time of its sitting, and allowed by it), the Court may cause him to be apprehended and brought before the Court for examination.

Power to order public examination of promoters, directors, etc.

196. (1) When an order has been made for winding up a company by the Court, and the official liquidator has applied to the Court stating that in his opinion a fraud has been committed by any person in the promotion or formation of the company or by any director or other officer of the company in relation to the company since its formation, the Court may, after consideration of the application, direct that any person who has taken any part in the promotion or formation of the company, or has been a director, manager or other officer of the company, shall attend before the Court on a day appointed by

the Court for that purpose, and be publicly examined as to the promotion or formation or the conduct of the business of the company, or as to his conduct and dealings as director, manager or other officer thereof.

(2) The official liquidator shall take part in the examination, and for that purpose may, if specially authorized by the Court in that behalf, employ such legal assistance as may be sanctioned by the Court.

(3) Any creditor or contributory may also take part in the examination either personally or by any person entitled to appear before the Court.

(4) The Court may put such questions to the person examined as the Court thinks fit.

(5) The person examined shall be examined on oath, and shall answer all such questions as the Court may put or allow to be put to him.

(6) A person ordered to be examined under this section may, at his own cost, employ any person entitled to appear before the Court, who shall be at liberty to put to him such questions as the Court may deem just for the purpose of enabling him to explain or qualify any answers given by him : Provided that if he is, in the opinion of the Court, exculpated from any charges made or suggested against him, the Court may allow him such costs as in its discretion it may think fit.

(7) Notes of the examination shall be taken down in writing, and shall be read over to or by, and signed by, the person examined, and may thereafter be used in evidence against him in civil proceedings, and shall be open to the inspection of any creditor or contributory at all reasonable times.

(8) The Court may, if it thinks fit, adjourn the examination from time to time.

(9) An examination under this section may, if the Court so directs, and subject to any rules in this behalf, be held before any District Judge or before any officer of the High Court, being an official referee, registrar or deputy registrar, and the powers of the Court under this section as to the conduct of the examination, but not as to costs, may be exercised by the person before whom the examination is held.

Power to arrest absconding contributory.

197. The Court, at any time either before or after making a winding up order on proof of probable cause for believing that a contributory is about to quit Mysore or otherwise to abscond, or to remove or conceal any of his

property, for the purpose of evading payment of calls or of avoiding examination respecting the affairs of the company, may cause the contributory to be arrested and his books and papers and movable property to be seized, and him and them to be safely kept until such time as the Court may order.

198. Any powers by this Act conferred on the Court shall be in addition to, and not in restriction of, any existing powers of instituting proceedings against any contributory or debtor of the company, or the estate of any contributory or debtor, for the recovery of any call or other sums. Saving of other proceedings.

ENFORCEMENT OF AND APPEAL FROM ORDERS.

199. All orders made by a Court under this Act may be enforced in the same manner in which decrees of such Court made in any suit pending therein may be enforced. Power to enforce orders.

200. Any order made by a Court for or in the course of the winding up of a company shall be enforced in any place in Mysore other than that in which such Court is situate, by the Court that would have had jurisdiction in respect of such company if the registered office of the company had been situate at such other place, and in the same manner in all respects as if such order had been made by the Court that is hereby required to enforce the same. Order made in any Court to be enforced by other Courts.

201. Where any order made by one Court is to be enforced by another Court, a certified copy of the order so made shall be produced to the proper officer of the Court required to enforce the same, and the production of such certified copy shall be sufficient evidence of such order having been made; and thereupon the last mentioned Court shall take the requisite steps in the matter for enforcing the order, in the same manner as if it were the order of the Court enforcing the same. Mode of dealing with orders to be enforced by other Courts.

202. Re-hearings of, and appeals from, any order or decision made or given in the matter of the winding up of a company by the Court may be had in the same manner and subject to the same conditions ~~in and~~ subject to which appeals may be had from any order or decision of the same Court in cases within its ordinary jurisdiction. Appeals from orders.

VOLUNTARY WINDING UP.

Circumstances in which company may be wound up voluntarily.

203. A company may be wound up voluntarily—

(1) when the period (if any) fixed for the duration of the company by the articles expires or, the event (if any) occurs, on the occurrence of which the articles provide that the company is to be dissolved and the company in general meeting has passed a resolution requiring the company to be wound up voluntarily;

(2) if the company resolves by special resolution that the company be wound up voluntarily;

(3) if the company resolves by extraordinary resolution to the effect that it cannot by reason of its liabilities continue its business, and that it is advisable to wind up,

and the expression 'resolution for voluntarily winding up' when used hereafter in this Part means a resolution passed under clause (1), clause (2) or clause (3) of this section.

Commencement of voluntary winding up.

204. A voluntary winding up shall be deemed to commence at the time of the passing of the resolution for voluntarily winding up.

Effect of voluntary winding up on status of company.

205. When a company is wound up voluntarily, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof:

Provided that the corporate state and corporate powers of the company shall, notwithstanding anything to the contrary in its articles, continue until it is dissolved.

Notice of resolution to wind up voluntarily.

206. (1) Notice of any special resolution or extraordinary resolution for winding up a company voluntarily shall be given by the company within ten days of the passing of the same by advertisement both in English and in Kannada in the official Gazette, and also in some newspaper (if any) circulating in the district where the registered office of the company is situate.

(2) If a company makes default in complying with the requirements of this section, it shall be liable to a fine not exceeding fifty rupees for every day during which the default continues; and every officer of the company who

knowingly and wilfully authorizes or permits the default shall be liable to a like penalty.

207. (1) Where it is proposed to wind up a company voluntarily, the directors of the company or, in the case of a company having more than two directors, the majority of the directors may, at a meeting of the directors held before the date on which the notices of the meeting at which the resolution for the winding up of the company is to be proposed are sent out, make a declaration verified by an affidavit to the effect that they have made a full inquiry into the affairs of the company, and that, having so done, they have formed the opinion that the company will be able to pay its debts in full within a period, not exceeding three years, from the commencement of the winding up. Declaration of solvency.

(2) Such declaration shall be supported by a report of the company's auditors on the company's affairs, and shall have no effect for the purposes of this Act unless it is delivered to the registrar for registration before the date mentioned in sub-section (1) of this section.

(3) A winding up in the case of which a declaration has been made and delivered in accordance with this section is in this Act referred to as 'a members' voluntary winding up,' and a winding up in the case of which a declaration has not been made and delivered as aforesaid is in this Act referred to as 'a creditors' voluntary winding up.'

Members' Voluntary Winding up.

208. The provisions contained in sections 208-A to 208-E, both inclusive, shall apply in relation to a members' voluntary winding up. Provisions applicable to a members' voluntary winding up.

208-A. (1) The company in general meeting shall appoint one or more liquidators for the purpose of winding up the affairs and distributing the assests of the company, and may fix the remuneration to be paid to him or them. Power of company to appoint and fix remuneration of liquidators.

(2) On the appointment of a liquidator all the powers of the directors shall cease, except so far as the company in general meeting, or the liquidator, sanctions the continuance thereof.

208-B. (1) If a vacancy occurs by death, resignation or otherwise in the office of the liquidator appointed by Power to fill vacancy in the office of liquidator.

the company, the company in general meeting may, subject to any arrangement with its creditors, fill the vacancy.

(2) For that purpose a general meeting may be convened by any contributory or, if there were more liquidators than one, by the continuing liquidators.

(3) The meeting shall be held in manner provided by this Act or by the articles, or in such manner as may, on application by any contributory or by the continuing liquidators, be determined by the Court.

Power of liquidator to accept shares, etc., as consideration for sale of property of company.

208-C. (1) Where a company is proposed to be, or is in course of being, wound up altogether voluntarily, and the whole or part of its business or property is proposed to be transferred or sold to another company, whether a company within the meaning of this Act or not (in this section called 'the transferee company'), the liquidator of the first-mentioned company (in this section called 'the transferor company') may, with the sanction of a special resolution of that company conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, receive, in compensation or part compensation for the transfer or sale, shares, policies, or other like interests in the transferee company, for distribution among the members of the transferor company, or may enter into any other arrangement whereby the members of the transferor company may, in lieu of receiving cash, shares, policies, or other like interests or in addition thereto, participate in the profits of or receive any other benefit from the transferee company.

(2) Any sale or arrangement in pursuance of this section shall be binding on the members of the transferor company.

(3) If any member of the transferor company who did not vote in favour of the special resolution expresses his dissent thereform in writing addressed to the liquidator and left at the registered office of the company within seven days after the passing of the special resolution, he may require the liquidator either to abstain from carrying the resolution into effect or to purchase his interest at a price to be determined by agreement or by arbitration in manner hereafter provided.

(4) If the liquidator elects to purchase the member's interest, the purchase money must be paid before the company is dissolved, and be raised by the liquidator in such manner as may be determined by special resolution.

(5) A special resolution shall not be invalid for the purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators, but if an order is made within a year for winding up the company by or subject to the supervision of the Court, the special resolution shall not be valid unless sanctioned by the Court.

(6) The provisions of the Mysore Arbitration Act, 1917, other than those restricting the application of the Act in respect of the subject-matter of the arbitration, shall apply to all arbitrations in pursuance of this section.

Duty of liquidator to call general meeting at end of each year.

208-D. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company at the end of the first year from the commencement of the winding up and of each succeeding year, or as soon thereafter as may be convenient within ninety days of the close of the year, and shall lay before the meeting an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the liquidation.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

Final meeting and dissolution.

208-E. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company for the purpose of laying before it the account, and giving any explanation thereof.

(2) The meeting shall be called by advertisement specifying the time, place and object thereof, and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for publication of a notice under that sub-section.

(3) Within one week after the meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding or the meeting and of its date, and if the copy is not sent or the return is not made in accordance with this sub-section, the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum is not present at the meeting, the liquidator shall, in lieu of the said return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall be deemed to have been complied with.

(4) The registrar on receiving the account and either of the returns mentioned in sub-section (3) shall forthwith register them and on the expiration of three months from the registration of the return the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within twenty-one days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails so to do he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

CREDITORS' VOLUNTARY WINDING UP.

Provisions applicable to a creditors' voluntary winding up.

209. The provisions contained in sections 209-A to 209-H, both inclusive, shall apply in relation to a creditors' voluntary winding up.

Meeting of creditors.

209-A. (1) The company shall cause a meeting of the creditors of the company to be summoned for the day, or the day next following the day, on which there is to be held the meeting at which the resolution for voluntary winding up is to be proposed, and shall cause the notices of the said meeting of creditors to be sent by post to the creditors simultaneously with the sending of the notices of the said meeting of the company.

(2) The company shall cause notice of the meeting of the creditors to be advertised in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) The directors of the company shall—

(*a*) cause a full statement of the position of the company's affairs together with a list of the

creditors of the company and the estimated amount of their claims to be laid before the meeting of creditors to be held as aforesaid; and

(*b*) appoint one of their number to preside at the said meeting.

(4) It shall be the duty of the director appointed to preside at the meeting of creditors to attend the meeting and preside thereat.

(5) If the meeting of the company at which the resolution for voluntary winding up is to be proposed is adjourned and the resolution is passed at an adjourned meeting, any resolution passed at the meeting of the creditors, held in pursuance of sub-section (1) of this section, shall have effect as if it had been passed immediately after the passing of the resolution for winding up the company.

(6) If default is made—

(*a*) by the company in complying with sub-sections (1) and (2),

(*b*) by the directors of the company in complying with sub-section (3),

(*c*) by any director of the company in complying with sub-section (4),

the company, directors or director, as the case may be, shall be liable to a fine not exceeding one thousand rupees and, in the case of default by the company, every officer of the company who is in default shall be liable to the like penalty.

Appointment of liquidator.

209-B. The creditors and the company at their respective meetings mentioned in section 209-A may nominate a person to be liquidator for the purpose of winding up the affairs and distributing the assets of the company, and if the creditors and the company nominate different persons, the person nominated by the creditors shall be liquidator, and if no person is nominated by the creditors the person, if any, nominated by the company shall be liquidator:

Provided that in the case of different persons being nominated, any director, member or creditor of the company may, within seven days after the date on which the nomination was made by the creditors, apply to the Court for an order either directing that the person nominated as liquidator by the company shall be liquidator instead of

or jointly with the person nominated by the creditors, or appointing some other person to be liquidator instead of the person appointed by the creditors.

Appointment of committee of inspection.

209-C. The creditors at the meeting to be held in pursuance of section 209-A or at any subsequent meeting may, if they think fit, appoint a committee of inspection consisting of not more than five persons, and if such a committee is appointed the company may, either at the meeting at which the resolution for voluntary winding up is passed or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee not exceeding five in number:

Provided that the creditors may, if they think fit, resolve that all or any of the persons so appointed by the company ought not to be members of the committee of inspection, and, if the creditors so resolve, the persons mentioned in the resolution shall not, unless the Court otherwise directs, be qualified to act as members of the committee, and on any application to the Court under this provision the Court may, if it thinks fit, appoint other persons to act as such members in place of the persons mentioned in the resolution.

Fixing of liquidators' remuneration and cesser of directors' powers.

209-D. (1) The committee of inspection, or if there is no such committee, the creditors, may fix the remuneration to be paid to the liquidator or liquidators, and where the remuneration is not so fixed, it shall be determined by the Court.

(3) On the appointment of a liquidator, all the powers of the directors shall cease, except so far as the committee of inspection, or if there is no such committee, the creditors, sanction the continuance thereof.

Power to fill vacancy in office of liquidator.

209-E. If a vacancy occurs, by death, resignation or otherwise, in the office of a liquidator, other than a liquidator appointed by, or by the direction of, the Court, the creditors may fill the vacancy.

Application of section 208-C to a creditors' voluntary winding up.

209-F. The provisions of section 208-C shall apply in the case of a creditors' voluntary winding up as in the case of a members' voluntary winding up with the modification that the powers of the liquidator under the said section shall not be exercised except with the sanction either of the Court or of the committee of inspection.

209-G. (1) In the event of the winding up continuing for more than one year, the liquidator shall summon a general meeting of the company and a meeting of creditors at the end of the first year from the commencement of the winding up, and of each succeeding year, or as soon thereafter as may be convenient, and shall lay before the meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year and a statement in the prescribed form containing the prescribed particulars with respect to the position of the winding up.

Duty of liquidator to call meetings of company and of creditors at end of each year.

(2) If the liquidator fails to comply with this section, he shall be liable to a fine not exceeding one hundred rupees.

209-H. (1) As soon as the affairs of the company are fully wound up, the liquidator shall make up an account of the winding up showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company and a meeting of the creditors for the purpose of laying the account before the meetings and giving any explanation thereof.

Final meeting and dissolution.

(2) Each such meeting shall be called by advertisement specifying the time, place and object thereof and published one month at least before the meeting in the manner specified in sub-section (1) of section 206 for the publication of a notice under that sub-section.

(3) Within one week after the date of the meetings, or, if the meetings are not held on the same date, after the date of the later meeting, the liquidator shall send to the registrar a copy of the account, and shall make a return to him of the holding of the meetings and of their dates, and if the copy is not sent or the return is not made in accordance with this sub-section, the liquidator shall be liable to a fine not exceeding fifty rupees for every day during which the default continues:

Provided that, if a quorum (which for the purposes of this section shall be two persons) is not present at either such meeting, the liquidator shall, in lieu of such return, make a return that the meeting was duly summoned and that no quorum was present thereat, and upon such a return being made the provisions of this sub-section as to the making of the return shall, in respect of that meeting, be deemed to have been complied with.

(4) The registrar on receiving the account and in respect of each such meeting either of the returns mentioned in sub-section (3) shall forthwith register them, and on the expiration of three months from the registration thereof the company shall be deemed to be dissolved:

Provided that the Court may, on the application of the liquidator or of any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the Court thinks fit.

(5) It shall be the duty of the person on whose application an order of the Court under this section is made, within ten days after the making of the order, to deliver to the registrar a certified copy of the order for registration, and if that person fails to do so he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

MEMBERS' OR CREDITORS' VOLUNTARY WINDING UP.

Provisions applicable to every voluntary winding up.

210. The provisions contained in sections 211 to 218, both inclusive, shall apply to every voluntary winding up whether a members' or a creditors' winding up.

Distribution of property of company.

211. Subject to the provisions of this Act as to preferential payments, the property of a company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company.

Powers and duties of liquidator in voluntary winding up.

212. (1) The liquidator may—

(*a*) in the case of a members' voluntary winding up, with the sanction of an extraordinary resolution of the company, and in the case of a creditors' voluntary winding up, with the sanction of either the Court or the committee of inspection, exercise any of the powers given by clauses (*d*), (*e*), (*f*) and (*h*) of section 179 to a liquidator in a winding up. The exercise by the liquidator of the powers given by this clause shall be subject to the control of the Court and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers;

(*b*) without the sanction referred to in clause (*a*), exercise any of the other powers by this Act given to the liquidator in a winding up by the Court;

(*c*) exercise the power of the Court under this Act of settling a list of contributories, and the list of contributories shall be *prima facie* evidence of the liability of the persons named therein to be contributories;

(*d*) exercise the power of the Court of making calls:

(*e*) summon general meetings of the company for the purpose of obtaining the sanction of the company by special or extraordinary resolution or for any other purpose he may think fit.

(2) The liquidator shall pay the debts of the company and shall adjust the rights of the contributories among themselves.

(3) When several liquidators are appointed, any power given by this Act may be exercised by such one or more of them as may be determined at the time of their appointment, or, in default of such determination, by any number not less than two.

Power of Court to appoint and remove liquidator in voluntary winding up.

213. (1) If from any cause whatever there is no liquidator acting, the Court may appoint a liquidator.

(2) The Court may, on cause shown, remove a liquidator and appoint another liquidator.

Notice by liquidator of his appointment.

214. (1) The liquidator shall, within twenty-one days after his appointment, deliver to the registrar for registration a notice of his appointment in the form prescribed.

(2) If the liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Arrangement when binding on creditors.

215. (1) Any arrangement entered into between a company about to be, or in the course of being, wound up and its creditors shall, subject to the right of appeal under this section, be binding on the company if sanctioned by an extraordinary resolution, and on the creditors if acceded to by three-fourths in number and value of the creditors.

(2) Any creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the Court against it, and the Court may thereupon, as it thinks just, amend, vary or confirm the arrangement.

Power to apply to Court to have questions determined or powers exercised.

216. (1) The liquidator or any contributory or creditor may apply to the Court to determine any question arising in the winding up of a company, or to exercise, as respects the enforcing of calls, staying of proceedings or any other matter, all or any of the powers which the Court might exercise if the company were being wound up by the Court.

(2) The liquidator or any creditor or contributory may apply for an order setting aside any attachment, distress or execution put into force against the estate or effects of the company after the commencement of the winding up.

Such application shall be made—

(*a*) if the attachment, distress or execution is levied or put into force by the High Court, to the High Court, and

(*b*) if the attachment, distress or execution is levied or put into force in any other Court, to the Court having jurisdiction to wind up the company.

(3) The Court, if satisfied that the determination of the question or the required exercise of power or the order applied for will be just and beneficial, may accede wholly or partially to the application on such terms and conditions as it thinks fit, or may make such other order on the application as it thinks just.

Cost of voluntary winding up.

217. All costs, charges and expenses properly incurred in the winding up, including the remuneration of the liquidator, shall, subject to the rights of secured creditors, if any, be payable out of the assets of the company in priority to all other claims.

Saving for rights of creditors and contributories.

218. The winding up of a company shall not bar the right of any creditor or contributory to have it wound up by the Court, but in the case of an application by a contributory, the Court must be satisfied that the rights of the contributories will be prejudiced by a voluntary winding up.

219. * * * *

Power of Court to adopt proceedings of voluntary winding up.

220. Where a company is being wound up voluntarily, and an order is made for winding up by the Court, the Court may, if it thinks fit, by the same or any subsequent order, provide for the adoption of all or any of the proceedings in the voluntary winding up.

WINDING UP SUBJECT TO SUPERVISION OF COURT.

221. When a company has by special or extraordinary resolution resolved to wind up voluntarily, the Court may make an order that the voluntary winding up shall continue, but subject to such supervision of the Court, and with such liberty for creditors, contributories or others to apply to the Court, and generally on such terms and conditions as the Court thinks just.

Power to order winding up subject to supervision.

222. A petition for the continuance of a voluntary winding up subject to the supervision of the Court shall, for the purpose of giving jurisdiction to the Court over suits, be deemed to be a petition for winding up by the Court.

Effect of petition for winding up subject to supervision.

223. The Court may, in deciding between a winding up by the Court and a winding up subject to supervision, in the appointment of liquidators, and in all other matters relating to the winding up subject to supervision, have regard to the wishes of the creditors or contributories as proved to it by any sufficient evidence.

Court may have regard to wishes of creditors and contributories.

224. (1) Where an order is made for a winding up subject to supervision, the Court may by the same or any subsequent order appoint any additional liquidator.

Power for Court to appoint or remove liquidators.

(2) A liquidator appointed by the Court under this section shall have the same powers, be subject to the same obligations, and in all respects stand in the same position as if he had been appointed by the company.

(3) The Court may remove any liquidator so appointed by the Court or any liquidator continued under the supervision order, and fill any vacancy occasioned by the removal, or by death or resignation.

225. (1) Where an order is made for a winding up subject to supervision, the liquidator may subject to any restrictions imposed by the Court, exercise all his powers, without the sanction or intervention of the Court, in the same manner as if the company were being wound up altogether voluntarily.

Effect of supervision order.

(2) Except as provided in sub-section (1), and save for the purposes of section 196, any order made by the Court for a winding up subject to the supervision of the Court shall for all purposes, including the staying of suits and other proceedings, be deemed to be an order of the Court for winding up the company by the Court, and shall confer full authority on the Court to make calls, or to enforce calls made by the liquidators, and to exercise all

other powers which it might have exercised if an order had been made for winding up the company altogether by the Court.

(3) In the construction of the provisions whereby the Court is empowered to direct any act or thing to be done to or in favour of the official liquidator, the expression "official liquidator" shall be deemed to mean the liquidator conducting the winding up subject to the supervison of the Court.

Appointment in certain cases of voluntary liquidators to office of official liquidators.

226. Where an order has been made for the winding up of a company subject to supervision, and an order is afterwards made for winding up by the Court, the Court may, by the last mentioned order or by any subsequent order, appoint the voluntary liquidators or any of them, either provisionally or permanently, and either with or without the addition of any other person, to be official liquidator in the winding up by the Court.

SUPPLEMENTAL PROVISIONS.

Avoidance of transfers, etc., after commencement of winding up.

227. (1) In the case of voluntary winding up, every transfer of shares, except transfers made to or with the sanction of the liquidator, and every alteration in the status of the members of the company made after the commencement of the winding up shall be void.

(2) In the case of a winding up by or subject to the supervision of the Court, every disposition of the property (including actionable claims) of the company, and every transfer of shares, or alteration in the status of its members, made after the commencement of the winding up shall, unless the Court otherwise orders, be void.

Debts of all descriptions to be proved.

228. In every winding up (subject in the case of insolvent companies to the application in accordance with the provisions of this Act of the law of insolvency) all debts payable on a contingency, and all claims against the company, present or future, certain or contingent, shall be admissible to proof against the company, a just estimate being made, so far as possible, of the value of such debts or claims as may be subject to any contingency or for some other reason do not bear a certain value.

Application of insolvency rules in winding up of insolvent companies.

229. In the winding up of an insolvent company, the same rules shall prevail and be observed with regard to the respective rights of secured and unsecured creditors and to debts provable and to the valuation of annuities and future and contingent liabilities as are in force for the

time being under the law of insolvency with respect to the estates of persons adjudged insolvent; and all persons who in any such case would be entitled to prove for and receive dividends out of the assets of the company may come in under the winding up, and make such claims against the company as they respectively are entitled to by virtue of this section.

Preferential payments.

230. (1) In a winding up there shall be paid in priority to all other debts—

(*a*) all revenue, taxes, cesses and rates, whether payable to the Government or to a local authority, due from the company at the date hereinafter mentioned and having become due and payable within the twelve months next before that date;

(*b*) all wages or salary of any clerk or servant in respect of service rendered to the company within the two months next before the said date, not exceeding one thousand rupees for each clerk or servant;

(*c*) all wages of any labourer or workman, not exceeding five hundred rupees for each, whether payable for time or piecework, in respect of services rendered to the company within the two months next before the said date;

(*d*) compensation payable under the Workmen's Compensation Act, 1928, in respect of the death or disablement of any officer or employee of the company;

(*e*) all sums due to any employee from a provident fund, a pension fund, a gratuity fund or any other fund for the welfare of the employees maintained by the company; and

(*f*) the expenses of any investigation held in pursuance of clause (iv) of section 138 of this Act.

(2) The foregoing debts shall—

(*a*) rank equally among themselves and be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportion; and

(*b*) so far as the assets of the company available for the payment of general creditors are insufficient to meet them, have priority over the

claims of holders of debentures under any floating charge created by the company and be paid accordingly out of any property comprised in or subject to that charge.

(3) Subject to the retention of such sums as may be necessary for the costs and expenses of the winding up, the foregoing debts shall be discharged forthwith so far as the assets are sufficient to meet them.

(4) In the event of a landlord or other person distraining or having distrained on any goods or effects of the company within three months next before the date of a winding up order, the debts to which priority is given by this section shall be a first charge on the goods or effects so distrained on, or the proceeds of the sale thereof:

Provided that in respect of any money paid under any such charge the landlord or other person shall have the same rights of priority as the person to whom the payment is made.

(5) The date hereinbefore in this section referred to is,—

(*a*) in the case of a company ordered to be wound up compulsorily which had not previously commenced to be wound up voluntarily, the date of the winding up order; and

(*b*) in any other case, the date of the commencement of the winding up.

Disclaimer of property.

230-A. (1) Where any part of the property of a company which is being wound up consists of land of any tenure burdened with onerous covenants, of shares or stock in companies, of unprofitable contracts or of any other property that is unsaleable, or not readily saleable, by reason of its binding the possessor thereof to the performance of any onerous act, or to the payment of any sum of money, the liquidator of the company, notwithstanding that he had endeavoured to sell or has taken possession of the property, or exercised any act of ownership in relation thereto, may, with the leave of the Court and subject to the provisions of this section, by writing signed by him, at any time within twelve months after the commencement of the winding up or such extended period as may be allowed by the Court, disclaim the property;

Provided that, where any such property has not come to the knowledge of the liquidator within one month after the commencement of the winding up, the power under this section of disclaiming the property may be exercised at any time within twelve months after he has become aware thereof or such extended period as may be allowed by the Court.

(2) The disclaimer shall operate to determine, as from the date of disclaimer, the rights, interest and liabilities of the company, and the property of the company, in or in respect of the property disclaimed, but shall not, except so far as is necessary for the purpose of releasing the company and the property of the company from liability, affect the rights or liabilities of any other person.

(3) The Court, before or on granting leave to disclaim, may require such notices to be given to persons interested, and impose such terms as a condition of granting leave, and make such other order in the matter as the Court thinks just.

(4) The liquidator shall not be entitled to disclaim any property under this section in any case where an application in writing has been made to him by any persons interested in the property requiring him to decide whether he will or will not disclaim, and the liquidator has not, within a period of twenty-eight days after the receipt of the application or such further period as may be allowed by the Court, given notice to the applicant that he intends to apply to the Court for leave to disclaim, and in the case of a contract, if the liquidator, after such an application as aforesaid, does not within the said period or further period disclaim the contract, the company shall be deemed to have adopted it.

(5) The Court may, on the application of any person who is, as against the liquidator, entitled to the benefit or subject to the burden of a contract made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the Court thinks just, and any damages payable under the order to any such person may be proved by him as a debt in the winding up.

(6) The Court may, on an application by any person who either claims any interest in any disclaimed property or is under any liability not discharged by this

Act in respect of any disclaimed property and on hearing any such persons as it thinks fit, make an order for the vesting of the property in or the delivery of the property to any persons entitled thereto, or to whom it may seem just that the property should be delivered by way of compensation for such liability as aforesaid, or a trustee for him, and on such terms as the Court thinks just, and on any such vesting order being made, the property comprised therein shall vest accordingly in the person therein named in that behalf without any conveyance or assignment for the purpose :

Provided that, where the property disclaimed is of a leasehold nature, the Court shall not make a vesting order in favour of any person claiming under the company whether as under-lessee or as mortgagee except upon the terms of making that person—

(*a*) subject to the same liabilities and obligations as those to which the company was subject under the lease in respect of the property at the commencement of the winding up; or

(*b*) if the Court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date ;

and in either event (if the case so requires) as if the lease had comprised only the property comprised in the vesting order, and any mortgagee or under-lessee declining to accept a vesting order upon such terms shall be excluded from all interest in and security upon the property, and, if there is no person claiming under the company who is willing to accept an order upon such terms, the Court shall have power to vest the estate and interest of the company in the property in any person liable, either personally or in a representative character, and either alone or jointly with the company, to perfom the lessee's covenants in the lease, freed and discharged from all estates, incumbrances and interests created therein by the company.

(7) Any person injured by the operation of a disclaimer under this section shall be deemed to be a creditor of the company to the amount of the injury, and may accordingly prove the amount as a debt in the winding up.

Fraudulent preference.

231. (1) Any transfer, delivery of goods, payment, execution or other act relating to property which would, if made or done by or against an individual, be deemed in

his insolvency a fraudulent preference, shall, if made or done by or against a company, be deemed, in the event of its being wound up, a fraudulent preference of its creditors, and be invalid accordingly.

(2) For the purposes of this section, the presentation of a petition for winding up in the case of a winding up by or subject to the supervision of the Court, and a resolution for winding up, in the case of a voluntary winding up, shall be deemed to correspond with the act of insolvency in the case of an individual.

(3) Any transfer or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void.

Avoidance of certain attachments, executions, etc.

232. (1) Where any company is being wound up by or subject to the supervision of the Court, any attachment, distress or execution put in force without leave of the Court against the estate or effects or any sale held without leave of the Court of any of the properties of the company after the commencement of the winding up shall be void.

(2) Nothing in this section applies to proceedings by the Government.

Effect of floating charge.

233. Where a company is being wound up, a floating charge on the undertaking or property of the company created within three months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the company at the time of, or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the rate of five per cent per annum.

General scheme of liquidation may be sanctioned.

234. (1) The liquidator may, with the sanction of the Court when the company is being wound up by the Court or subject to the supervision of the Court, and with the sanction of an extraordinary resolution of the company in the case of a voluntary winding up, do the following things or any of them:—

(i) pay any classes of creditors in full;

(ii) make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim, present or future, whereby the company may be rendered liable;

(iii) compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent subsisting or supposed to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.

(2) The exercise by the liquidator of the powers of this section shall be subject to the control of the Court, and any creditor or contributory may apply to the Court with respect to any exercise or proposed exercise of any of these powers.

Power of court to assess damages against delinquent directors, etc.

235. (1) Where, in the course of winding up a company, it appears that any person who has taken part in the formation or promotion of the company, or any past or present director, manager, or liquidator, or any officer of the company has misapplied or retained or become liable or accountable for any money or property of the company, or been guilty of any misfeasance or breach of trust in relation to the company, the Court may, on the application of the liquidator, or of any creditor or contributory, made within three years from the date of the first appointment of a liquidator in the winding up or of the misapplication, retainer, misfeasance or breach of trust, as the case may be, whichever is longer, examine into the conduct of the promotor, director, manager, liquidator or officer, and compel him to repay or restore the money or property or any part thereof respectively with interest at such rate as the Court thinks just, or to contribute such sum to the assets of the company by way of compensation in respect of the misapplication, retainer, misfeasance or breach of trust as the Court thinks just.

(2) This section shall apply notwithstanding that the offence is one for which the offender may be criminally responsible.

(3) Nothing contained in sub-section (1) shall operate to extend the period of limitation in respect of any application which was already barred by limitation at the commencement of this Act.

236. If any director, manager, officer or contributory of any company being would up destroys, mutilates, alters or falsifies or fraudulently secretes any books, papers or securities, or makes, or is privy to the making of any false or fraudulent entry in any register, book of account or document belonging to the company with intent to defraud or deceive any person, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine. Penalty for falsification of books.

237. (1) If it appears to the Court in the course of a winding up by, or subject to the supervision of, the Court that any past or present director, manager or other officer or any member, of the company has been guilty of any offence in relation to the company for which he is criminally liable, the Court may, either on the application of any person interested in the winding up or of its own motion, direct the liquidator either himself to prosecute the offender or to refer the matter to the registrar. Prosecution of delinquent directors.

(2) If it appears to the liquidator in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty of any offence in relation to the company for which he is criminally liable, he shall forthwith report the matter to the registrar and shall furnish to him such information and give to him such access to and facilities for inspecting and taking copies of any documents, being information or documents in the possession or under the control of the liquidator relating to the matter in question, as he may require.

(3) Where any report is made under sub-section (2) to the registrar, he may, if he thinks fit, refer the matter to the Government for further inquiry, and the Government shall thereupon investigate the matter and may, if they think it expedient, apply to the Court for an order conferring on any person designated by the Government for the purpose with respect to the company concerned all such powers of investigating the affairs of the company as are provided by this Act in the case of a winding up by the Court.

(4) If on any report to the registrar under sub-section (2) it appears to him that the case is not one in which proceedings ought to be taken by him, he shall inform the liquidator accordingly, and thereupon, subject to the previous sanction of the Court, the liquidator may himself take proceedings against the offender.

(5) If it appears to the Court in the course of a voluntary winding up that any past or present director, manager or other officer, or any member of the company has been guilty as aforesaid, and that no report with respect to the matter has been made by the liquidator to the registrar, the Court may, on the application of any person interested in the winding up or of its own motion, direct the liquidator to make such a report, and on a report being made accordingly, the provisions of this section shall have effect as though the report has been made in pursuance of the provisions of sub-section (2).

(6) If, where any matter is reported or referred to the registrar under this section, he considers that the case is one in which a prosecution ought to be instituted, he shall place the papers before the Government Advocate or any other officer duly authorized by the Government in this behalf and if advised to do so institute proceedings:

Provided that no prosecution shall be undertaken without first giving the accused person an opportunity of making a statement in writing to the registrar and of being heard thereon.

(7) Notwithstanding anything contained in the Indian Evidence Act, 1872, as in force in Mysore, when any proceedings are instituted under this section it shall be the duty of the liquidator and of every officer and agent of the company past and present (other than the defendant in the proceedings) to give all assistance in connection with the prosecution which he is reasonably able to give, and for the purposes of this sub-section the expression 'agent' in relation to a company shall be deemed to include any banker or legal adviser of the company and any person employed by the company as auditor, whether that person is or is not an officer of the company.

(8) If any person fails or neglects to give assistance in manner required by sub-section (7), the Court may, on the application of the registrar, direct that person to comply with the requirements of the said sub-section, and where any such application is made with respect to a liquidator, the Court may, unless it appears that the failure or neglect to comply was due to the liquidator not having in his hands sufficient assets of the company to enable him so to do, direct that the

costs of the application shall be borne by the liquidator personally.

238. If any person, upon any examination upon oath authorized under this Act, or in any affidavit, deposition or solemn affirmation, in or about the winding up of any company under this Act, or otherwise in or about any matter arising under this Act, intentionally gives false evidence, he shall be liable to imprisonment for a term which may extend to seven years, and shall also be liable to fine. Penalty for false evidence.

238-A. (1) If any person, being a past or present director, managing agent, manager or other officer of a company which at the time of the commission of the alleged offence is being wound up, whether by or under the supervision of the Court or voluntarily, or is subsequently ordered to be wound up by the Court or subsequently passes a resolution for voluntary winding up— Penal provisions.

(*a*) does not to the best of his knowledge and belief fully and truly discover to the liquidator all the property, real and personal, of the company, and how and to whom and for what consideration and when the company disposed of any part thereof, except such part as has been disposed of in the ordinary way of the business of the company; or

(*b*) does not deliver up to the liquidator, or as he directs, all such part of the real and personal property of the company as is in his custody or under his control, and which he is required by law to deliver up; or

(*c*) does not deliver up to the liquidator, or as he directs, all books and papers in his custody or under his control belonging to the company and which he is required by law to deliver up; or

(*d*) within twelve months next before the commencement of the winding up or at any time thereafter conceals any part of the property of the company to the value of one hundred rupees or upwards or conceals any debt due to or from the company; or

(*e*) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently removes any part of the property of the company to the value of one hundred rupees or upwards; or

(*f*) makes any material omission in any statement relating to the affairs of the company; or

(*g*) knowing or believing that a false debt has been proved by any person under the winding up, fails for the period of a month to inform the liquidator thereof; or

(*h*) after the commencement of the winding up prevents the production of any book or paper affecting or relating to the property or affairs of the company; or

(*i*) within twelve months next before the commencement of the winding up or at any time thereafter, conceals, destroys, mutilates or falsifies, or is privy to the concealment, destruction, mutilation or falsification of any book or paper affecting or relating to the property or affairs of the company; or

(*j*) within twelve months next before the commencement of the winding up or at any time thereafter makes or is privy to the making of any false entry in any book or paper affecting or relating to the property or affairs of the company; or

(*k*) within twelve months next before the commencement of the winding up or at any time thereafter fraudulently parts with, alters or makes any omission in, or is privy to the fraudulent parting with, altering or making any omission in, any document affecting or relating to the property or affairs of the company; or

(*l*) after the commencement of the winding up or at any meeting of the creditors of the company within twelve months next before the commencement of the winding up, attempts to account for any part of the property of the company by fictitious losses or expenses; or

(*m*) has within twelve months next before the commencement of the winding up or at any time thereafter, by any false representation or other fraud, obtained any property for or on behalf of the company on credit which the company does not subsequently pay for; or

(*n*) within twelve months next before the commencement of the winding up or at any time thereafter, under the false pretence that the company is carrying on its business, obtains on credit for or on behalf of the company, any property which the company does not subsequently pay for; or

(*o*) within twelve months next before the commencement of the winding up or at any time thereafter pawns, pledges or disposes of any property of the company which has been obtained on credit and has not been paid

for, unless such pawning, pledging or disposing is in the ordinary way of the business of the company; or

(*p*) is guilty of any false representation or other fraud for the purpose of obtaining the consent of the creditors of the company or any of them to an agreement with reference to the affairs of the company or to the winding up;

he shall be punishable, in the case of the offences mentioned respectively in clauses (*m*), (*n*) and (*o*) of this sub-section, with imprisonment for a term not exceeding five years, and in the case of any other offeuce, with imprisonment for a term not exceeding two years:

Provided that it shall be a good defence to a charge under any of clauses (*b*), (*c*), (*d*), (*f*), (*n*) and (*o*), if the accused proves that he had no intent to defraud, and to a charge under any of clauses (*a*), (*h*), (*i*) and (*j*), if he proves that he had no intent to conceal the state of affairs of the company or to defeat the law.

(2) Where any person pawns, pledges or disposes of any property in circumstances which amount to an offence under clause (*o*) of sub-section (1), every person who takes in pawn or pledge or otherwise receives the property knowing it to be pawned, pledged or disposed of in such circumstances as aforesaid, shall be punishable with imprisonment for a term not exceeding three years.

Meetings to ascertain wishes of creditors or contributories.

239. (1) Where by this Act the Court is authorized in relation to winding up to have regard to the wishes of creditors or contributories, as proved to it by any sufficient evidence, the Court may, if it thinks fit for the purpose of ascertaining those wishes, direct meetings of the creditors or contributories to be called, held and conducted in such manner as the Court directs, and may appoint a person to act as chairman of any such meeting and to report the result thereof to the Court.

(2) In the case of creditors, regard shall be had to the value of each creditor's debt.

(3) In the case of contributories, regard shall be had to the number of votes conferred on each contributory by the articles.

Documents of company to be evidence.

240. Where any company is being wound up, all documents of the company and of the liquidator shall, as between the contributories of the company, be *prima facie* evidence of the truth of all matters purporting to be therein recorded.

Inspection of documents.

241. After an order for a winding up by or subject to the supervision of the Court, the Court may make such

order for inspection by creditors and contributories of the company of its documents as the Court thinks just, and any documents in the possession of the company may be inspected by creditors or contributories accordingly, but not further or otherwise.

Disposal of documents of company.

242. (1) When a company has been wound up and is about to be dissolved, the documents of the company and of the liquidators may be disposed of as follows (that is to say):—

(*a*) in the case of a winding up by or subject to the supervision of the Court, in such way as the Court directs;

(*b*) in the case of a voluntary winding up, in such way as the company by extraordinary resolution directs.

(2) After three years from the dissolution of the company, no responsibility shall rest on the company or the liquidators, or any person to whom the custody of the documents has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.

Power of Court to declare dissolution of company void.

243. (1) Where a company has been dissolved, the Court may, at any time within two years of the date of the dissolution, on an application being made for the purpose by the liquidator of the company or by any other person who appears to the Court to be interested, make an order, upon such terms as the Court thinks fit, declaring the dissolution to have been void, and thereupon such proceedings may be taken as might have been taken if the company had not been dissolved.

(2) It shall be the duty of the person on whose application the order was made, within twenty-one days after the making of the order, to file with the registrar a certified copy of the order, and if that person fails so to do, he shall be liable to a fine not exceeding fifty rupees for every day during which the default continues.

Information as to pending liquidations.

244. (1) Where a company is being wound up, if the winding up is not concluded within one year after its commencement, the liquidator shall, once in each year and at intervals of not more than twelve months, until the winding up is concluded, file in Court or with the registrar, as the case may be, a statement in the prescribed form and containing the prescribed particulars

with respect to the proceedings in and position of the liquidation.

(2) Any person stating himself in writing to be a creditor or contributory of the company shall be entitled, by himself or by his agent, at all reasonable times on payment of the prescribed fee, to inspect the statement, and to receive a copy thereof or extract therefrom; but any person untruthfully so stating himself to be a creditor or contributory shall be deemed to be guilty of an offence under section 182 of the Indian Penal Code, and shall be punishable accordingly on the application of the liquidator.

(3) If a liquidator fails to comply with the requirements of this section, he shall be liable to a fine not exceeding five hundred rupees for each day during which the default continues.

(4) When the statement is filed in Court a copy shall simultaneously be filed with the registrar and shall be kept by him along with the other records of the company.

Payment by liquidator into bank.

244-A. (1) Every liquidator of a company which is being wound up by the Court shall, in such manner and at such times as may be prescribed, pay the money received by him into a bank approved by Government:

Provided that if the Court is satisfied that for the purpose of carrying on the business of the company or of obtaining advances or for any other reason it is for the advantage of the creditors or contributories that the liquidator should have an account with any other bank, the Court may authorize the liquidator to make his payments into or out of such other bank as the Court may select and thereupon those payments shall be made in the prescribed manner.

(2) If any such liquidator at any time retains for more than ten days a sum exceeding five hundred rupees or such other amount as the Court may, in any particular case, authorize him to retain, then, unless he explains the retention to the satisfaction of the Court, he shall pay interest on the amount so retained in excess at the rate of twenty per cent per annum and shall be liable to disallowance of all or such part of his remuneration as the Court may think just and to be removed from his office by the Court and shall be liable to pay any expenses occasioned by reason of his default.

(3) A liquidator of a company which is being wound up shall open a special banking account and pay all sums received by him as liquidator into such account.

Court or person before whom affidavit may be sworn.

245. (1) Any affidavit required to be sworn under the provisions or for the purposes of this Part may be sworn in Mysore before any Court, Judge or person lawfully authorized to take and receive affidavits, or elsewhere before any Court or authority before whom a similar affidavit may be validly sworn.

(2) All Courts, Judges, Justices, Commissioners, and persons acting judicially in Mysore shall take judicial notice of the seal or stamp or signature (as the case may be) of any such Court, Judge, person, or authority, attached, appended or subscribed to any such affidavit, or to any other document to be used for the purposes of this Part.

RULES.

Power of High Court to make rules.

246. (1) The High Court may, from time to time, make rules consistent with this Act and with the Code of Civil Procedure, 1911, concerning the mode of proceedings to be had for winding up a company in such Court and in the Courts subordinate thereto, and for voluntary winding up (both members and creditors), for the holding of meetings of creditors and members in connection with proceedings under section 153 of this Act, and for giving effect to the provisions hereinbefore contained as to the reduction of the capital and the sub-division of the shares of a company and generally for all applications to be made to the Court under the provisions of this Act, and shall make rules providing for all matters relating to the winding up of companies which by this Act are to be prescribed.

(2) Without prejudice to the generality of the foregoing power, the High Court may by such rules enable or require all or any of the powers and duties conferred and imposed on the Court by this Act, in respect of the matters following, to be exercised or performed by the official liquidator, and subject to the control of the Court, that is to say, the powers and duties of the Court in respect of,—

(*a*) holding and conducting meetings to ascertain the wishes of creditors and contributories;

(*b*) settling lists of contributories and rectifying the register of members where required, and collecting and applying the assets;

(c) requiring delivery of property or documents to the liquidator;

(d) making calls;

(e) fixing a time within which debts and claims must be proved:

Provided that the official liquidator shall not, without the special leave of the Court, rectify the register of members, and shall not make any call without the special leave of the Court.

REMOVAL OF DEFUNCT COMPANIES FROM REGISTER.

Registrar may strike defunct company off register.

247. (1) Where the registrar has reasonable cause to believe that a company is not carrying on business or in operation, he shall send to the company by post a letter inquiring whether the company is carrying on business or in operation.

(2) If the registrar does not, within one month of sending the letter, receive any answer thereto, he shall, within fourteen days after the expiration of the month, send to the company by post a registered letter referring to the first letter, and stating that no answer thereto has been received and that, if an answer is not received to the second letter within one month from the date thereof, a notice will be published in the official Gazette with a view to striking the name of the company off the register.

(3) If the registrar either receives an answer from the company to the effect that it is not carrying on business or in operation, or does not within one month after sending the second letter receive any answer, he may publish in the official Gazette, and send to the company by post a notice that, at the expiration of three months from the date of that notice, the name of the company mentioned therein will, unless cause is shown to the contrary, be struck off the register and the company will be dissolved.

(4) If, in any case where a company is being wound up, the registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the company are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months after notice by the registrar demanding the returns has been sent by post to the company, or to the liquidator at his last known place of business, the registrar may publish in the official Gazette and

send to the company a like notice as is provided in the last preceding sub-section.

(5) At the expiration of the time mentioned in the notice, the registrar may, unless cause to the contrary is previously shown by the company, strike its name off the register and shall publish notice thereof in the official Gazette, and, on the publication in the official Gazette of this notice, the company shall be dissolved: Provided that the liability (if any) of every director and member of the company shall continue and may be enforced as if the company had not been dissolved.

(6) If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register, the Court, on the application of the company or member or creditor, may, if satisfied that the company was at the time of the striking off carrying on business or in operation, or otherwise that it is just that the company be restored to the register, order the name of the company to be restored to the register, and thereupon the company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.

(7) A letter or notice under this section may be addressed to the company at its registered office, or if no office has been registered, to the care of some director, manager or other officer of the company, or if there is no director, manager or other officer of the company whose name and address are known to the registrar, may be sent to each of the persons who subscribed the memorandum, addressed to him at the address mentioned in the memorandum.

PART VI.

Registration Office and Fees.

Registration Offices.

248. (1) The Government may appoint such registrars and assistant registrars as it thinks necessary for the registration of companies under this Act, and may make rules with respect to their duties.

(2) The Government may direct a seal or seals to be prepared for the authentication of documents required for or connected with the registration of companies.

(3) Any person may inspect the documents kept by the registrar on payment of such fees as may be appointed by the Government, not exceeding one rupee for each inspection, and any person may require a certificate of the incorporation of any company, or a copy or extract of any other document or any part of any other document, to be certified by the registrar on payment for the certificate, certified copy or extract, of such fees as the Government may appoint, not exceeding three rupees for a certificate of incorporation, and not exceeding six annas for every hundred words or fractional part thereof required to be copied.

(4) Whenever any act is by this Act directed to be done to or by the registrar it shall, until the Government otherwise directs, be done to or by the existing registrar of joint-stock companies or in his absence to or by such person as the Government may for the time being authorize; but, in the event of the Government altering the constitution of the existing registry offices, or any of them, any such act shall be done to or by such officer and at such place with reference to the local situation of the registered offices of the companies to be registered as the Government may appoint.

Fees.

249. (1) There shall be paid to the registrar in respect of the several matters mentioned in Table B in the First Schedule the several fees therein specified, or such smaller fees as the Government may direct.

(2) All fees paid to the registrar in pursuance of this Act shall be credited to the Government.

Enforcing submission of returns and documents to registrar.

249-A. (1) If a company, having made default in complying with any provision of this Act which requires it to file with, deliver or send to the registrar any return, account or other document, or to give notice to him of any matter, fails to make good the default within fourteen days after the service of a notice on the company requiring it to do so, the Court may, on an application made to the Court by any member or creditor of the company or by the registrar, make an order directing the company and any officer thereof to make good the default within such time as may be specified in the order.

(2) Any such order may provide that all costs of and incidental to the application shall be borne by the company or by any officers of the company responsible for the default.

(3) Nothing in this section shall be taken to prejudice the operation of any enactment imposing penalties on a company or its officers in respect of any such default as aforesaid.

PART VII.

Application of Act to Companies formed and registered under former Companies Acts.

Application of Act to companies formed under former Companies Acts.

250. In the application of this Act to existing companies, it shall apply in the same manner in the case of a limited company, other than a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by shares; in the case of a company limited by guarantee, as if the company had been formed and registered under this Act as a company limited by guarantee; and in the case of a company other than a limited company, as if the company had been formed and registered under this Act as an unlimited company:

Provided that—

(1) nothing in Table A in the First Schedule shall apply to a company formed and registered under the Indian Companies Act, 1866, or the Mysore Companies Act, 1895, or the Mysore Companies Act, 1917;

(2) reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the Indian Companies Act, 1866, or the Mysore Companies Act, 1895, or the Mysore Companies Act, 1917, as the case may be.

Application of Act to companies registered but not formed under former Companies Acts.

251. This Act shall apply to every company registered but not formed under the Indian Companies Act, 1866, or the Mysore Companies Act, 1895, or the Mysore Companies Act, 1917, in the same manner as it is hereinafter in this Act declared to apply to companies registered but not formed under this Act:

Provided that reference, express or implied, to the date of registration shall be construed as a reference to the date at which the company was registered under the said Acts.

PART VIII.

Companies Authorized to Register under this Act.

Companies capable of being registered.

253. (1) With the exceptions and subject to the provisions mentioned and contained in this section—

any company consisting of seven or more members, which was in existence on the first day of November eighteen hundred and ninety-five may at any time register under this Act as an unlimited company or as a company limited by shares, or as a company limited by guarantee; and the registration shall not be invalid by reason that it has taken place with a view to the company being wound up:

(2) Provided as follows:—

(*a*) a company that is not a joint-stock company as hereinafter defined shall not register in pursuance of this section as a company limited by shares;

(*b*) a company shall not register in pursuance of this section without the assent of a majority of such of its members as are present in person or by proxy (in cases where proxies are allowed by the articles) at a general meeting summoned for the purpose;

(*c*) where a company is about to register as a company limited by guarantee, the assent to its being so registered shall be accompanied by a resolution declaring that each member undertakes to contribute to the assent of the company, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceased to be a member, and of the costs and expenses of winding up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding a specified amount.

(3) In computing any majority under this section when a poll is demanded, regard shall be had to the number of votes to which each member is entitled according to the articles.

(4) A company registered under the Mysore Companies Act, 1895, shall not be registered in pursuance of this section.

Definition of "joint-stock company."

254. For the purposes of this Part as far as relates to registration of companies as companies limited by shares, a joint-stock company means a company having a permanent paid-up or nominal share capital of fixed amount divided into shares, also of fixed amount, or held and transferable as stock, or divided and held partly in one way and partly in the other, and formed on the principle of having for its members the holders of those shares or that stock, and no other persons; and such a company, when registered with limited liability under this Act, shall be deemed to be a company limited by shares.

Requirements for registration by joint-stock companies.

255. Before the registration in pursuance of this Part of a joint-stock company, there shall be delivered to the registrar the following documents (that is to say):—

(1) a list showing the names, addresses and occupations of all persons who on a day named in the list, not being more than six clear days before the day of registration, were members of the company, with the addition of the shares or stock held by them respectively, distinguishing, in cases where the shares are numbered, each share by its number;

(2) a copy of any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) if the company is intended to be registered as a limited company, a statement specifying the following particulars (that is to say):—

(*a*) the nominal share capital of the company and the number of shares into which it is divided or the amount of stock of which it consists;

(*b*) the number of shares taken and the amount paid on each share;

(*c*) the name of the company, with the addition of the word "Limited" as the last word thereof; and

(*d*) in the case of a company intended to be registered as a company limited by guarantee, the resolution declaring the amount of the guarantee.

256. Before the registration in pursuance of this Part of any company not being a joint-stock company, there shall be delivered to the registrar—

Requirements for registration by other than joint-stock companies.

(1) a list showing the names, addresses and occupations of the directors of the company; and

(2) a copy of any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company; and

(3) in the case of company intended to be registered as a company limited by guarantee, a copy of the resolution declaring the amount of the guarantee.

257. The list of members and directors and any other particulars relating to the company required to be delivered to the registrar shall be duly verified by a declaration of any two or more directors or other principal officers of the company.

Authentication of statement of existing companies.

258. The registrar may require such evidence as he thinks necessary for the purpose of satisfying himself whether any company proposing to be registered is or is not a joint-stock company as hereinbefore defined.

Registrar may require evidence as to nature of company.

259. (1) Where a banking company, which was in existence on the first day of November eighteen hundred and ninety-five, proposes to register as a limited company it shall, at least thirty days before so registering, give notice of its intention so to register to every person who has a banking account with the company, either by delivery of the notice to him, or by posting it to him at, or delivering it at, his last known address.

On registration of banking company with limited liability, notice to be given to customers.

(2) If the company omits to give the notice required by this section, then as between the company and the person for the time being interested in the account in respect of which the notice ought to have been given, and so far as respects the account down to the time at which the notice is given, but not further or otherwise, the certificate of registration with limited liability shall have no operation.

260. No fees shall be charged in respect of the registration in pursuance of this Part of a company, if it is not registered as a limited company.

Exemption of certain companies from payment of fees.

261. When a company registers in pursuance of this Part with limited liability, the word "Limited" shall form and be registered as part of its name.

Addition of "Limited" to name.

Certificates of registration of existing companies.

262. On compliance with the requirements of this Part with respect to registration, and on payment of such fees, if any, as are payable under Table B in the First Schedule the registrar shall certify under his hand that the company applying for registration is incorporated as a company under this Act, and in the case of a limited company that it is limited, and thereupon the company shall be incorporated, and shall have perpetual succession and a common seal.

Vesting of property on registration.

263. All property, movable and immovable, including all interests and rights in, to and out of property, movable and immovable, and including obligations and actionable claims as may belong to or be vested in a company at the date of its registration in pursuance of this Part, shall, on registration, pass to and vest in the company as incorporated under this Act for all the estate and interest of the company therein.

Saving of existing liabilities.

264. The registration of a company in pursuance of this Part shall not affect the rights or liabilities of the company in respect of any debt or obligation incurred or any contract entered into, by, to, with, or on behalf of, the company before registration.

Continuation of existing suits.

265. All suits and other legal proceedings which at the time of the registration of a company in pursuance of this Part are pending by or against the company, or the public officer or any member thereof, may be continued in the same manner as if the registration had not taken place; nevertheless execution shall not issue against the effects of any individual member of the company on any decree or order obtained in any such suit or proceeding; but, in the event of the property and effects of the company being insufficient to satisfy the decree or order, an order may be obtained for winding up the company.

Effect of registration under Act.

266. When a company is registered in pursuance of this Part—

(*i*) all provisions contained in any deed of settlement, contract of co-partnery, or other instrument constituting or regulating the company, including, in the case of a company registered as a company limited by guarantee, the resolution declaring the amount of the guarantee, shall be deemed to be conditions and regulations of the company in the same manner and with the same incidents as if so much thereof as would, if the company had been formed under this Act, have been required to be inserted

in the memorandum, were contained in a registered memorandum, and the residue thereof were contained in registered articles;

(*ii*) all the provisions of this Act shall apply to the company and the members, contributories and creditors thereof, in the same manner in all respects as if it had been formed under this Act, subject as follows (that is to say):—

(*a*) the regulations in Table A in the First Schedule shall not apply unless adopted by special resolution;

(*b*) the provisions of this Act relating to the numbering of shares shall not apply to any joint-stock company whose shares are not numbered;

(*c*) in the event of the company being wound up, every person shall be a contributory, in respect of the debts and liabilities of the company contracted before registration, who is liable to pay or contribute to the payment of any debt or liability of the company contracted before registration, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves in respect of any such debt or liability; or to pay or contribute to the payment of the costs and expenses of winding up the company so far as relates to such debts or liabilities as aforesaid; and every contributory shall be liable to contribute to the assets of the company, in the course of the winding up, all sums due from him in respect of any such liability as aforesaid; and in the event of the death or insolvency of any contributory, the provisions of this Act, with respect to the legal representatives and heirs of deceased contributories, and with reference to the assignees of insolvent contributories, shall apply;

(*iii*) the provisions of this Act with respect to—

(*a*) the registration of an unlimited company as limited;

(*b*) the powers of an unlimited company on registration as a limited company to increase the nominal amount of its share capital and

to provide that a portion of its share capital shall not be capable of being called up except in the event of winding up;

(c) the power of a limited company to determine that a portion of its share capital shall not be capable of being called up except in the event of winding up;

shall apply notwithstanding any provisions contained in any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company;

(iv) nothing in this section shall authorize the company to alter any such provisions contained in any deed of settlement, contract of co-partnery or other instrument constituting or regulating the company, as would, if the company had originally been formed under this Act, have been required to be contained in the memorandum and are not authorized to be altered by this Act;

(v) nothing in this Act shall derogate from any lawful power of altering its constitution or regulation which may, by virtue of any enactment at any time in force in Mysore, deed of settlement, contract of co-partnery or other instrument constituting or regulating the company, be vested in the company.

Power to substitute memorandum and articles for deed of settlement.

267. (1) Subject to the provisions of this section, a company registered in pursuance of this Part may by special resolution alter the form of its constitution by substituting a memorandum and articles for a deed of settlement.

(2) The provisions of this Act with respect to confirmation by the Court and registration of an alteration of the objects of a company shall, so far as applicable, apply to an alteration under this section with the following modifications :—

(a) there shall be substituted for the printed copy of the altered memorandum required to be filed with the registrar a printed copy of the substituted memorandum and articles; and

(b) on the registration of the alteration being certified by the registrar, the substituted memorandum and articles shall apply to the company in the same manner as if it were a company registered under this Act

with that memorandum and those articles, and the company's deed of settlement shall cease to apply to the company.

(3) An alteration under this section may be made either with or without any alteration of the objects of the company under this Act.

(4) In this section the expression "deed of settlement" includes any contract of co-partnery or other instrument constituting or regulating the company.

Power of Court to stay or restrain proceedings.

268. The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a petition for winding up and before the making of a winding up order shall, in the case of a company registered in pursuance of this Part, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed on winding up order.

269. Where an order has been made for winding up a company registered in pursuance of this Part, no suit or other legal proceeding shall be commenced or proceeded with against the company or any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

PART IX.

Winding up of Unregistered Companies.

Meaning of "unregistered company."

270. For the purposes of this Part, the expression "unregistered company" shall not include a railway company incorporated by any enactment at any time in force in Mysore, nor a company registered under the Indian Companies Act, 1866, or under the Mysore Companies Act, 1895, or under the Mysore Companies Act, 1917, or under this Act, but save as aforesaid, shall include any partnership, association or company consisting of more than seven members.

Winding up of unregistered companies.

271. (1) Subject to the provisions of this Part, any unregistered company may be wound up under this Act and all the provisions of this Act with respect to winding up shall apply to an unregistered company, with the following exceptions and additions :—

(*i*) no unregistered company shall be wound up under this Act voluntarily or subject to supervision ;

(*ii*) the circumstances in which an unregistered company may be wound up are as follows (that is to say):—

(*a*) if the company is dissolved, or has ceased to carry on business or is carrying on business only for the purpose of winding up its affairs;

(*b*) if the company is unable to pay its debts;

(*c*) if the Court is of opinion that it is just and equitable that the company should be wound up;

(*iii*) an unregistered company shall, for the purposes of this Act, be deemed to be unable to pay its debts—

(*a*) if a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred rupees then due, has served on the company by leaving at its principal place of business, or by delivering to the secretary, or some director, manager or principal officer of the company, or by otherwise serving in such manner as the Court may approve or direct, a demand under his hand requiring the company to pay the sum so due, and the company has for three weeks after the service of the demand neglected to pay the sum, or to secure or compound for it to the satisfaction of the creditor;

(*b*) if any suit or other legal proceeding has been instituted against any member for any debt or demand due or claimed to be due, from the company or from him in his character of member, and notice in writing of the institution of the suit or other legal proceeding having been served on the company by leaving the same at its principal place of business or by delivering it to the secretary, or some director, manager or principal officer of the company or by otherwise serving the same in such manner as the Court may approve or direct, the company has not within ten days after service of the notice paid, secured or compounded for the debt or

demand, or procured the suit or other legal proceeding to be stayed, or indemnified the defendant to his reasonable satisfaction against the suit or other legal proceeding, and against all costs, damages and expenses to be incurred by him by reason of the same;

(c) if execution or other process issued on a decree or order obtained in any Court in favour of a creditor against the company, or any member thereof as such, or any person authorized to be sued as nominal defendant on behalf of the company, is returned unsatisfied; and

(d) if it is otherwise proved to the satisfaction of the Court that the company is unable to pay its debts.

(2) Nothing in this Part shall affect the operation of any enactment which provides for any partnership, association or company being wound up, or being wound up as a company or as an unregistered company, under any enactment repealed by this Act, except that references in any such first-mentioned enactment to any such repealed enactment shall be read as references to the corresponding provision (if any) of this Act.

(3) Where a company incorporated outside Mysore, which has been carrying on business in Mysore ceases to carry on business in Mysore, it may be wound up as an unregistered company under this Part, notwithstanding that it has been dissolved or otherwise ceased to exist as a company under or by virtue of the laws of the country under which it was incorporated.

Contributories in winding up of unregistered companies.

272. (1) In the event of an unregistered company being wound up, every person shall be deemed to be a contributory who is liable to pay or contribute to the payment of any debt or liability of the company, or to pay or contribute to the payment of any sum for the adjustment of the rights of the members among themselves, or to pay or contribute to the payment of the costs and expenses of winding up the company, and every contributory shall be liable to contribute to the assets of the company all sums due from him in respect of any such liability as aforesaid.

(2) In the event of any contributory dying or being adjudged insolvent, the provisions of this Act with respect to the legal representatives and heirs of deceased

contributories and to the assignees of insolvent contributories shall apply.

Power to stay or restrain proceedings.

273. The provisions of this Act with respect to staying and restraining suits and legal proceedings against a company at any time after the presentation of a portion for winding up and before the making of a winding up order shall, in the case of an unregistered company, where the application to stay or restrain is by a creditor, extend to suits and legal proceedings against any contributory of the company.

Suits stayed on winding up order.

274. Where an order has been made for winding up an unregistered company, no suit or other legal proceeding shall be proceeded with or commenced against any contributory of the company in respect of any debt of the company, except by leave of the Court, and subject to such terms as the Court may impose.

Directions as to property in certain cases.

275. If an unregistered company has no power to sue and be sued in a common name, or if for any reason it appears expedient, the Court may, by the winding up order, or by any subsequent order, direct that all or any part of the property, movable or immovable, including all interests and rights in, to and out of property, movable and immovable and including obligations and actionable claims as may belong to the company or to trustees on its behalf, is to vest in the official liquidator by his official name, and thereupon the property or the part thereof specified in the order shall vest accordingly; and the official liquidator may, after giving such indemnity (if any) as the Court may direct, bring or defend in his official name any suit or other legal proceeding relating to that property, or necessary to be brought or defended for the purposes of effectually winding up the company and recovering its property.

Provisions of this Part cumulative.

276. The provisions of this Part with respect to unregistered companies shall be in addition to and not in restriction of, any provisions hereinbefore in this Act contained with respect to winding up companies by the Court, and the Court or official liquidator may exercise any powers or do any act in the case of unregistered companies which might be exercised or done by it or him in winding up companies formed and registered under this Act, but an unregistered company shall not, except in the event of its being wound up, be deemed to be a company under this Act and then only to the extent provided by this Part.

PART X.

Companies Established Outside Mysore.

Requirements as to companies established outside Mysore.

277. (1) Every company incorporated outside Mysore, which at the commencement of this Act has a place of business in Mysore, and every such company which after the commencement of this Act establishes such a place of business within Mysore, shall, within six months from the commencement of this Act or within one month from the establishment of such place of business, as the case may be, file with the registrar—

(*a*) a certified copy of the charter, statutes or memorandum and articles of the company, or other instrument constituting or defining the constitution of the company, and, if the instrument is not written in the English language, a certified translation thereof;

(*b*) the full address of the registered or principal office of the company;

(*c*) a list of the directors and managers (if any) of the company;

(*d*) the names and addresses of some one or more persons resident in Mysore authorized to accept on behalf of the company service of process and any notices required to be served on the company;

(*e*) the full address of that office of the company in Mysore which is to be deemed the principal place of business in Mysore of the company,

and, in the event of any alteration being made in any such instrument or in any such address or in the directors or managers or in the names or addresses of any such persons as aforesaid, the company shall within the prescribed time, file with the registrar a notice of the alteration.

(2) Any process or notice required to be served on the company shall be sufficiently served, if addressed to any person whose name has been so filed as aforesaid and left at or sent by post to the address which has been so filed.

(3) Every company to which this section applies shall in every year file with the registrar—

(*i*) in a case where by the law, for the time being in force, of the country in which the company is incorporated such company is required to file with the public authority an annual balance-

sheet,—three copies of that balance-sheet and if the balance-sheet does not contain all the information provided for in the form marked H in the Third Schedule, such supplementary statements in triplicate as shall furnish such information ; or

(*ii*) in a case where no such provision is made by the law, for the time being in force, of the country in which the company is incorporated, —such a statement in triplicate in the form of a balance-sheet as such company would, if it were a company formed and registered under this Act, be required to file in accordance with the provisions of this Act ;

(4) Every company to which this section applies and which uses the word " Limited " as part of its name, shall,—

(*a*) in every prospectus inviting subscriptions for its shares or debentures in Mysore, state the country in which the company is incorporated ; and

(*b*) conspicuously exhibit on every place where it carries on business in Mysore, the name of the company and the country in which the company is incorporated in letters easily legible in English or Kannada characters, and

(*c*) have the name of the company and of the country in which the company is incorporated mentioned in legible English or Kannada characters in all bill-heads and letter paper and in all notices, advertisements and other official publications of the company.

(5) Every company to which this section applies shall if the liability of the members of the company is limited cause notice of that fact to be stated in legible characters in every prospectus inviting subscriptions for its shares, and in all bill-heads and letter paper, notices, advertisements and other official publications of the company in Mysore, and to be affixed on every place where it carries on business.

(6) If any company to which this section applies fails to comply with any of the requirements of this section, the company, and every officer or agent of the company, shall be liable to a fine not exceeding five hundred

rupees or, in the case of a continuing offence, fifty rupees for every day during which the default continues.

(7) For the purposes of this section—

(*a*) the expression "certified" means certified in the prescribed manner to be a true copy or a correct translation;

(*b*) the expression "place of business" includes a share transfer or share registration office;

(*c*) the expression "director" includes any person occupying the position of director, by whatever name called; and

(*d*) the expression "prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of the company.

(8) There shall be paid to the registrar for registering any document required by this section to be filed with him a fee of five rupees or such smaller fee as may be prescribed.

Restriction on sale and offer for sale of shares.

277-A. (1) It shall not be lawful for any person—

(*a*) to issue, circulate or distribute in Mysore any prospectus offering for subscription shares in or debentures of a company incorporated or to be incorporated outside Mysore whether the company has or has not established, or when formed will or will not establish, a place of business in Mysore, unless—

(*i*) before the issue, circulation or distribution of the prospectus in Mysore a copy thereof, certified by the chairman and two other directors of the company as having been approved by resolution of the managing body, has been delivered for registration to the registrar;

(*ii*) the prospectus states on the face of it that the copy has been so delivered;

(*iii*) the prospectus is dated; and

(*iv*) the prospectus otherwise complies with this Part; or

(*b*) to issue to any person in Mysore a form of application for shares in or debentures of such a company or intended company as aforesaid, unless the form is issued with a prospectus which complies with this Part:

Provided that this provision shall not apply if it is shown that the form of application was issued in connection with a *bona fide* invitation to a person to enter into an underwriting agreement with respect to the shares or debentures.

(2) This section shall not apply to the issue to existing members or debenture-holders of a company of a prospectus or form of application relating to shares in or debentures of the company, whether an applicant for shares or debentures will or will not have the right to renounce in favour of other persons, but, subject as aforesaid, this section shall apply to a prospectus or form of application whether issued on or with reference to the formation of a company or subsequently.

(3) Where any document by which any shares in or debentures of a company incorporated outside Mysore are offered for sale to the public would, if the company concerned had been a company within the meaning of this Act, have been deemed by virtue of section 98-A to be a prospectus issued by the company, that document shall be deemed to be, for the purposes of this section, a prospectus issued by the company.

(4) An offer of shares or debentures for subscription or sale to any person whose ordinary business or part of whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, shall not be deemed an offer to the public for the purposes of this section.

(5) Any person who is knowingly responsible for the issue, circulation or distribution of any prospectus, or for the issue of a form of application for shares or debentures, in contravention of the provisions of this section shall be liable to a fine not exceeding five thousand rupees.

(6) In this section and in section 277-B, the expressions 'prospectus,' 'shares' and 'debentures' have the same meanings as when used in relation to a company incorporated under this Act.

Requirements as to prospectus.

277-B. (1) In order to comply with this Part a prospectus, in addition to complying with the provisions of sub-clauses (*ii*) and (*iii*) of clause (*a*) of sub-section (1) of section 277-A, must—

(*a*) contain particulars with respect to the following matters:—

(*i*) the objects of the company;

(*ii*) the instrument constituting or defining the constitution of the company;

(*iii*) the enactments, or provisions having the force of an enanctment, by or under which the incorporation of the company was effected;

(*iv*) an address in Mysore where the said instrument, enactments or provisions, or copies thereof, and if the same are in a foreign language, a translation thereof in the English language certified in the prescribed manner, can be inspected;

(*v*) the date on which and the country in which the company was incorporated;

(*vi*) whether the company has established a place of business in Mysore and, if so, the address of its principal office in Mysore:

Provided that the provisions of sub-clauses (*i*), (*ii*) and (*iii*) of this clause shall not apply in the case of a prospectus issued more than two years after the date at which the company is entitled to commence business:

(*b*) subject to the provisions of this section, state the matters specified in sub-section (1-A) of section 93 and set out the reports specified in that section:

Provided that—

(*i*) where any prospectus is published as a newspaper advertisement, it shall be a sufficient compliance with the requirement that the prospectus must specify the objects of the company if the advertisement specifies the primary object with which the company was formed, and

(*ii*) in section 93 of this Act, a reference to the articles of the company shall be deemed to be a reference to the constitution of the company.

(2) Any condition requiring or binding any applicant for shares or debentures to waive compliance with any requirement of this section, or purporting to effect him with notice of any contract, document, or matter not specifically referred to in the prospectus, shall be void.

(3) In the event of non-compliance with or contravention of any of the requirements of this section, a director or other person responsible for the prospectus

shall not incur any liability by reason of the non-compliance or contravention, if—

(a) as regards any matter not disclosed, he proves that he was not cognizant thereof; or

(b) he proves that the non-compliance or contravention arose from an honest mistake of fact on his part, or

(c) the non-compliance or contravention was in respect of matters which, in the opinion of the Court dealing with the case, were immaterial or were otherwise such as ought, in the opinion of that Court, having regard to all the circumstances of the case, reasonably to be excused:

Provided that in the event of failure to include in a prospectus a statement with respect to the matters specified in cluse (n) of sub-section (1) of section 93, no director or other person shall incur any liability in respect of the failure unless it be proved that he had knowledge of the matters not disclosed.

(4) Nothing in this section shall limit or diminish any liability which any person may incur under the general law or this Act apart from this section.

Restriction on canvassing for sale of shares.

277-C. (1) It shall not be lawful for any person to go from house to house offering shares of a company incorporated outside Mysore for subscription or purchase to the public or any member of the public.

(2) In this sub-section the expression 'house' shall not include an office used for business purposes.

(3) Any person acting in contravention of this section shall be liable to a fine not exceeding rupees one hundred.

Registration of charges.

277-D. The provisions of sections 109 to 117, both inclusive, and 120 to 125, both inclusive, shall extend to charges on properties in Mysore which are created and to charges on property in Mysore which is acquired after the commencement of this Act, by a company incorporated outside Mysore which has an established place of business in Mysore: Provided that references in the said sections to the registered office of the company shall be deemed to be references to the principal place of business in Mysore of the Company:

Provided further that, where a charge is created outside Mysore or the completion of the acquisition of property takes place outside Mysore, sub-clause (i) of the proviso to sub-section (1) of section 109 and the proviso to sub-section

(1) of section 109-A shall apply as if the property wherever situated were situated outside Mysore.

Notice of appointment of receiver.

277-E. The provisions of sections 118 and 119 shall *mutatis mutandis* apply to the case of all companies incorporated outside Mysore but having an established place of business in Mysore and the provisions of section 130 shall apply to such companies to the extent of requiring them to keep at their principal place of business in Mysore the books of account required by that section with respect to money received and expended, sales and purchases made, and assets and liabilities in relation to its business in Mysore:

Provided that references in the said section to be registered office of the company shall be deemed to be references to the principal place of business in Mysore of the company.

PART X-A.

BANKING COMPANIES.

Definition of banking company.

277-F. A 'banking company' means a company which carries on as its principal business the accepting of deposits of money on current account or otherwise, subject to withdrawal by cheque, draft or order, notwithstanding that it engages in addition in any one or more of the following forms of business, namely :—

(1) the borrowing, raising or taking up of money; the lending or advancing of money either upon or without security; the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not; the granting and issuing of letters of credit, travellers' cheques and circular notes; the buying, selling and dealing in bullion and specie; the buying and selling of foreign exchange including foreign bank notes; the acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others; the negotiating of loans and advances; the receiving of all kinds of bonds, scrips or valuables on deposit, or for safe custody or otherwise; the collecting and transmitting of money and securities;

(2) acting as agents for Government or local authorities or for any other person or persons; the carrying on of agency business of any description other than the business of a managing agent of a company not being a banking company, including the power to act as attorneys and to give discharges and receipts;

(3) contracting for public and private loans and negotiating and issuing the same;

(4) the promoting, effecting, insuring, guaranteeing, underwriting, participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stock, debentures, or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;

(5) carrying on and transacting every kind of guarantee and indemnity business;

(6) promoting or financing or assisting in promoting or financing any business undertaking or industry, either existing or new, and developing or forming the same either through the instrumentality of syndicates or otherwise;

(7) acquisition by purchase, lease, exchange, hire or otherwise of any property immovable or movable and any rights or privileges which the company may think necessary or convenient to acquire or the acquisition or which in the opinion of the company is likely to facilitate the realization of any securities held by the company or to prevent or diminish any apprehended loss or liability;

(8) managing, selling and realizing all property movable and immovable which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;

(9) acquiring and holding and generally dealing with any property and any right, title or interest in any property movable or immovable which may form part of the security for any loans or advance or which may be connected with any such security;

(10) undertaking and executing trusts;

(11) undertaking the administration of estates as executor, trustee or otherwise;

(12) taking or otherwise acquiring and holding shares in any other company having objects similar to those of the company;

(13) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependants or connections of such persons; granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing moneys for charitable or benevolent objects or for any exhibition or for any public, general or useful object;

(14) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;

(15) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;

(16) acquiring and undertaking the whole or any part of the business of any person or company, when such business is of a nature enumerated or described in this section;

(17) doing all such other things as are incidental or conducive to the promotion or advancement of the business of the company.

Limitation of activities of banking company.

277-G. (1) No company formed after the commencement of this Act, for the purpose of carrying on business as a banking company or which uses as part of the name under which it proposes to carry on business the word 'bank,' 'banker' or 'banking' shall be registered under this Act unless the memorandum limits the objects of the company to the carrying on of the business of accepting deposits of money on current account or otherwise subject to withdrawal by cheque, draft or otherwise along with some or all of the forms of business specified in section 277-F.

(2) No banking company whether incorporated in or outside Mysore shall, after the expiry of two years from the commencement of this Act, carry on any form of business other than those specified in section 277-F, :

Provided that the Government may, by notification in the official Gazette, specify in addition to the businesses set forth in clauses (1) to (17) of section 277-F other forms of business which it may be lawful under this section for a banking company to engage in.

Banking company not to employ managing agent.

277-H. No banking company shall, after the expiry of two years from the commencement of this Act, employ

or be managed by a managing agent other than a banking company for the management of the company.

Restriction on commencement of business by banking company.

277-I. Notwithstanding anything contained in section 103, no banking company incorporated under this Act shall commence business, unless shares have been allotted to an amount sufficient to yield a sum of at least fifty thousand rupees as working capital and unless a declaration duly verified by an affidavit signed by the directors and the manager that such a sum has been received by way of paid-up capital has been filed with the registrar.

Prohibition of charge on unpaid capital.

277-J. No banking company shall create any charge upon any unpaid capital of the company, and any such charge shall be invalid.

Reserve fund.

277-K. (1) Every banking company shall, after the commencement of this Act, maintain a reserve fund.

(2) Every banking company shall, out of the declared profits of each year and before any dividend is declared, transfer a sum equivalent to not less than twenty per cent of such profits to the reserve fund until the amount of the said fund is equal to the paid-up capital.

(3) A banking company shall invest the amount standing to the credit of its reserve fund in Government securities or keep deposited in a special account to be opened by the company for the purpose in any bank approved by the Government:

Provided that the provision of the sub-section shall not apply to a banking company incorporated before the commencement of the Mysore Companies Act, 1938, till after the expiry of two years from the commencement of the said Act.

Cash reserve.

277-L. (1) Every banking company shall maintain by way of cash reserve in cash a sum equivalent to at least one and a half per cent of the time liabilities and five per cent of the demand liabilities of such company and shall file with the registrar before the tenth day of every month three copies of a statement of the amount so held on the Friday of each week of the preceding month with particulars of the time and demand liabilities of each such day.

(2) For the purposes of sub-section (1) 'demand liabilities' means liabilities which must be met on demand, and 'time liabilities' means liabilities which are not demand liabilities.

(3) If default is made in complying with the requirements of section 277-G, section 277-H, section 277-J, section 277-K or section 277-M or with the requirements of this section as to the maintenance of a cash reserve, every director or other officer of the company who is knowingly and wilfully a party to the default shall be liable to a fine not exceeding five hundred rupees for every day during which the default continues, and if default is made in complying with the requirements of this section as to the filing of the statement referred to in sub-section (1), to a fine not exceeding one hundred rupees for every day during which the default continues.

277-M. (1) A banking company shall not form any subsidiary company except a subsidiary company formed for the purpose of undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise and such other purposes set forth in section 277-F as are incidental to the business of accepting deposits of money on current account or otherwise.

Restriction on nature of subsidiary companies.

(2) Save as provided in sub-section (1), a banking company shall not hold shares in any company whether as pledgee, mortgagee or absolute owner of an amount exceeding fifty per cent of the issued share capital of that company:

Provided that nothing in this sub-section shall apply to shares held by a banking company bofore the commencement of this Act.

277-N. (1) The Court may on the application of a banking company which is temporarily unable to meet its obligations make an order staying the commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it shall think fit and proper and may from time to time extend the period.

Power of Court to stay proceedings.

(2) No such application shall be maintainable unless accompanied by a report of the registrar:

Provided, however, the Court may, for sufficient reasons, grant interim relief, even if the application is not accompanied by such report.

(3) The registrar shall, for the purposes of his report, be entitled at the cost of the company to investigate the financial condition of the company and for such purpose to have the books and documents of the company examined by an accountant holding a certificate issued under section 144.

PART XI.

Supplemental.

Legal Proceedings, Offences, etc.

Cognizance of offences.

278. (1) No Court inferior to that of a Magistrate of the first class shall try any offence against this Act.

(2) Notwithstanding anything in the Code of Criminal Procedure, 1904, every offence against this Act shall, for the purposes of the said Code, be deemed to be non-cognizable.

Applications of fines.

279. The Court imposing any fine under this Act may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings, or in or towards the rewarding of the person on whose information the fine is recovered.

Power to require limited company to give security for costs.

280. Where a limited company is plaintiff or petitioner in any suit or other legal proceeding, any Court having jurisdiction in the matter may, if it appears that there is reason to believe that the company will be unable to pay the costs of the defendant if successful in his defence, require sufficient security to be given for those costs, and may stay all proceedings until the security is given.

Power of Court to grant relief in certain cases.

281. (1) If in any proceedings for negligence, default, breach of duty or breach of trust against a person to whom this section applies, it appears to the Court hearing the case that that person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that Court may relieve him, either wholly or partly, from his liability on such terms as the Court may think fit.

(2) Where any person to whom this section applies has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the Court for relief, and the Court on any such application shall have the same power to relieve him as under this section it would have had if it had been a Court before which proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.

(3) The persons to whom this section applies are the following :—

(*a*) directors of a company;

(*b*) managers and managing agents of a company;

(*c*) officers of a company;

(*d*) persons employed by a company as auditors, whether they are or are not officers of the company.

282. Whoever in any return, report, certificate, balance-sheet or other document, required by or for the purposes of any of the provisions of this Act, wilfully makes a statement false in any material particular, knowing it to be false, shall be punishable with imprisonment of either description for a term which may extend to three years, and shall also be liable to fine. Penalty for false statement.

282-A. Any director, managing agent, manager or other officer or employee of a company who wrongfully obtains possession of any property of a company or having any such property in his possession wrongfully withholds it or wilfully applies it to purposes other than those expressed or directed in the articles and authorized by this Act, shall, on the complaint of the company or any creditor or contributory thereof, be punishable with fine not exceeding one thousand rupees and may be ordered by the Court trying the offence to deliver up or refund within a time to be fixed by the Court any such property improperly obtained or wrongfully withheld or wilfully misapplied or in default to suffer imprisonment for a period not exceeding two years. Penalty for wrongful withholding of property.

282-B. (1) All moneys or securities deposited with a company by its employees in pursuance of their contracts of service with the company shall be kept or deposited by the company in a special account to be opened by the company for the purpose in a bank approved by the Government, and no portion thereof shall be utilised by the company except for the purposes agreed to in the contract of service. Penalty for misapplication of securities by employers.

(2) Where a provident fund has been constituted by a company for its employees or any class of its employees, all moneys contributed to such fund (whether by the company or by the employees) or accruing by way of interest or otherwise to such fund after the commencement of this Act, shall be invested, and shall be invested only in securities of the Government of Mysore or in securities approved by them, and all moneys belonging to

such fund at the commencement of this Act, which are not so invested shall be invested in such securities by annual instalments not exceeding ten in number and not less in amount in any year than one-tenth of the whole amount of such moneys.

(3) Notwithstanding anything to the contrary in the rules of any fund to which sub-section (2) applies or in any contract between a company and its employees, no employee shall be entitled to receive in respect of such portion of the amount to his credit in such fund as is invested in accordance with the provisions of sub-section (2) interest at a rate exceeding the rate of interest yielded by such investment.

(4) An employee shall be entitled on request made in this behalf to the company to see the bank's receipt for any money or security such as is referred to in sub-section (1) and sub-section (2).

(5) Any director, managing agent, manager or other officer of the company who knowingly contravenes or permits or authorizes the contravention of the provisions of this section shall be liable on conviction to a fine not exceeding five hundred rupees.

Penalty for improper use of word "Limited."

283. If any person or persons trade or carry on business under any name or title of which "Limited" is the last word, that person or those persons shall unless duly incorporated with limited liability, be liable to a fine not exceeding fifty rupees for every day upon which that name or title has been used.

Provisions for winding up for non-compliance with orders issued under section 11.

283-A. If any company required to alter or omit the words objected to under proviso to sub-section 3 of section 11, does not comply with such requisition, within the period of three months mentioned therein, it shall be liable to be wound up on a petition presented by the Government Advocate or any other officer duly authorized by the Government in this behalf, notwithstanding anything contained in section 166.

Saving of pending proceedings for winding up.

284. The provisions of this Act with respect to winding up shall not apply to any company of which the winding up has commenced before the commencement of this Act, but every such company shall be wound up in the same manner and with the same incidents as if this Act had not been passed, and, for the purpose of the winding up, the Mysore Companies Act, 1895, or the Mysore Companies Act, 1917, shall be deemed to remain in full force.

285. Every instrument of transfer or other document made before the commencement of this Act in pursuance of any enactment hereby repealed shall be of the same force as if this Act had not been passed, and for the purposes of that instrument or document the repealed enactment shall be deemed to remain in full force. Saving of document.

286. (1) The offices existing at the commencement of this Act for registration of joint-stock companies shall be continued as if they had been established under this Act. Former registration offices, registers, and registrars continued.

(2) Registers of companies kept in any such existing offices shall respectively be deemed part of the registers of companies to be kept under this Act.

(3) The existing registrars, assistant registrars and officers in those offices shall, during the pleasure of the Government, hold the offices hitherto held by them, subject to any rules of the Government with regard to the execution of their duties.

287. Nothing in this Act shall affect the provisions of the Insurance Act, 1938. Saving for Insurance Act.

288. In sections 2 and 19 of Act III of 1904 (for the registration of Literary, Scientific and Charitable Societies), the words "registrar of joint-stock companies" shall be construed to mean the registrar under this Act. Construction of "registrar of joint-stock companies" in Act III of 1904.

290. (1) The enactments mentioned in the Fourth Schedule are hereby repealed to the extent specified in the fourth column thereof: Repeal of Acts and savings.

Provided that the repeal shall not affect—

(*a*) the incorporation of any company registered under any enactment hereby repealed; nor

(*b*) Table A in the First Schedule annexed to the Mysore Companies Act, 1895, or annexed to the Mysore Companies Act, 1917, or any part thereof, so far as the same applies to any company existing at the commencement of this Act.

(2) All fees directed, resolutions passed and other things duly done under any enactment hereby repealed, shall be deemed to have been directed, passed or done under this Act.

(3) The mention of particular matters in this section or in any other section of this Act, shall not prejudice the general application of section 6 of the General Clauses Act, 1899, with regard to the effect of repeals.

SCHEDULES.

THE FIRST SCHEDULE.

(See sections 2, 17, 18, 79 and 266.)

TABLE A.

Regulations for Management of a Company limited by Shares.

PRELIMINARY.

1. In these regulations, unless the context otherwise requires, expressions defined in the Mysore Companies Act, 1938, or any statutory modification thereof in force at the date at which these regulations become binding on the company, shall have the meanings so defined; and words importing the singular shall include the plural, and *vice versa*, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

BUSINESS.

2. The directors shall have regard to the restrictions on the commencement of business imposed by section 103 of the Mysore Companies Act, 1938, if, and so far as, those restrictions are binding upon the company.

SHARES.

3. Subject to the provisions, if any, in that behalf, of the memorandum of association of the company, and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the company may, from time to time, by special resolution determine, and any preference share may with the sanction of a special resolution be issued on the terms that it is or at the option of the company is liable to be redeemed.

4. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 66-A of the Mysore Companies Act, 1938, be varied with the consent in writing of the holders of three-fourths of the issued shares of

that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class.

5. No share shall be offered to the public for subscription except upon the terms that the amount payable on application shall be at least 5 per cent of the nominal amount of the share; and the directors shall, as regards any allotment of shares, duly comply with such of the provisions of sections 101 and 104 of the Mysore Companies Act, 1938, as may be applicable thereto.

6. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon: Provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all.

7. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding eight annas, and on such terms, if any, as to evidence and indemnity as the directors think fit.

8. Except to the extent allowed by section 54-A of the Mysore Companies Act, 1938, no part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

LIEN.

9. The company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the company; but the directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The company may sell, in such manner as the director thinks fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating, and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for

the time being of the share, or the person entitled by reason of his death or insolvency to the share.

11. The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to see to the application of the purchase-money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Calls on Shares.

12. The directors may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares, provided that no call shall exceed one-fourth of the nominal amount of the share, or be payable at less than one month from the last call; and each member shall (subject to receiving at least fourteen days' notice specifying the time or times of payments) pay to the company at the time or times so specified the amount called on his shares.

13. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

14. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of five per cent per annum from the day appointed for the payment thereof to the time of the actual payment; but the directors shall be at liberty to waive payment of that interest wholly or in part.

15. The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of the issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call, duly made and notified.

16. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.

17. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of the company in general meeting, six per cent) as may be agreed upon between the member paying the sum in advance and the directors.

TRANSFER AND TRANSMISSION OF SHARES.

18. The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

19. Shares in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

I, A B of in consideration of the sum of rupees: paid to me by C D of (hereinafter called "the said transferee"), do hereby transfer to the said transferee the share [*or* shares] numbered in the undertaking called the Company, Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share [*or* shares] subject to the conditions aforesaid. As witness our hands the day of

Witness to the signatures of, etc.

20. The directors may decline to register any transfer of shares, not being fully-paid shares, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless—

(*a*) a fee not exceeding two rupees is paid to the company in respect thereof; and

(*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the company, send to the transferee and the transferor notice of the refusal.

21. The executors or administrators of a deceased sole holder of a share shall be the only persons recognized by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.

22. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required

by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or the insolvent person before the death or insolvency.

23. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

Forfeiture of Shares.

24. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

25. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect.

27. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.

28. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in full of the nominal amount of the shares.

29. A duly verified declaration in writing that the declarant is a director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as

against all persons claiming to be entitled to the share, and that declaration, and the receipt of the company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase-money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

30. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Conversion of Shares into Stock.

31. The directors may, with the sanction of the company previously given in general meeting, convert any paid-up shares into stock, and may with the like sanction re-convert any stock into paid-up shares of any denomination.

32. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations as and subject to which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; but the directors may, from time to time, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.

33. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred that privilege or advantage.

34. Such of the regulations of the company (other than those relating to share-warrants), as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stock-holder."

Share-warrants.

35. The company may issue share-warrants, and accordingly the directors may in their discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the directors may, from time to

time require as to the identity of the person signing the request, and on receiving the certificate (if any) of the share, and the amount of the stamp-duty on the warrant and such fee as the directors may, from time to time require, issue under the company's seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of dividends, or other moneys and the shares included in the warrant.

36. A share-warrant shall entitle the bearer to the shares included in it and the share shall be transferred by the delivery of the share-warrant, and the provisions of the regulations of the company with respect to transfer and transmission of shares shall not apply thereto.

37. The bearer of a share-warrant shall, on surrender of the warrant to the company for cancellation, and on payment of such sum as the directors may, from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

38. The bearer of a share-warrant may, at any time, deposit the warrant at the office of the company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiration of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant. Not more than one person shall be recognized as depositor of the share-warrant. The company shall, on two days' written notice, return the deposited share-warrant to the depositor.

39. Subject as herein otherwise expressly provided, no person shall, as bearer of a share-warrant, sign a requisition for calling a meeting of the company, or attend, or vote or exercise any other privilege of a member at a meeting of the company, or be entitled to receive any notices from the company; but the bearer of a share-warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the company.

40. The directors may, from time to time, make rules as to the terms on which (if they shall think fit) a new share-warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Alteration of Capital.

41. The directors may, with the sanction of the company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

44. The company may, by ordinary resolution,—

(*a*) consolidate and divide its share capital into shares of larger amount than its existing shares;

(*b*) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of paragraph (*d*) of sub-section (1) of section 50 of the Mysore Companies Act, 1938;

(*c*) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

44-A. The company may, by special resolution, reduce its share capital in any manner and with, and subject to, any incident authorized, and consent required, by law.

General Meetings.

45. The statutory general meeting of the company shall be held within the period required by section 77 of the Mysore Companies Act, 1938.

46. A general meeting shall be held within eighteen months from the date of its incorporation and thereafter once at least in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs,

and at such place as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

47. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

48. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 78 of the Mysore Companies Act, 1938. If at any time there are not within Mysore sufficient directors capable of acting to form a quorum, any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

Proceedings at General Meeting.

49. Subject to the provisions of sub-section (2) of section 81 of the Mysore Companies Act, 1938, relating to special resolutions, fourteen days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Mysore Companies Act, 1938, or the regulations of the company, entitled to receive such notices from the company; but the accidental omission to give notice to or the non-receipt of notice by any member shall not invalidate the proceedings at any general meeting.

50. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of sanctioning a dividend, the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.

51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members in the case of a private company and five members in the case of any other company personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon

the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company.

54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause (*c*) of sub-section (1) of section 79 of the Mysore Companies Act, 1938, and, unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

57. If a poll is duly demanded, it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

59. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF MEMBERS.

60. On a show of hands, every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share or each hundred rupees of stock held by him.

61. In the case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

62. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

63. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

64. On a poll, votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Mysore Companies Act, 1938, is in force.

65. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. No person shall act as a proxy unless he is a member of the company.

66. The instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than seventy-two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

67. An instrument appointing a proxy may be in the following form or in any other form which the directors shall approve:—

COMPANY, LIMITED.

"I of in the district of being a member of the Company, Limited, hereby appoint of as my proxy to vote for me and on my behalf at the [ordinary or extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof."

Signed this day of

DIRECTORS.

68. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.

69. The remuneration of the directors shall from time to time be determined by the company in general meeting.

70. The qualification of a director shall be the holding of at least one share in the company, and it shall be his duty to comply with the provisions of section 85 of the Mysore Companies Act, 1938.

POWERS AND DUTIES OF DIRECTORS.

71. The business of the company shall be managed by the directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by the Mysore Companies Act, 1938, or any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

72. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term, and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partly in another) as they may think fit, and a director so appointed shall not, while holding that office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of directors, but his appointment shall be subject to determination *ipso facto* if he ceases from any cause to be a director, or if the company in general meeting resolve that his tenure of the office of managing director or manager be determined.

73. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time exceed the issued share capital of the company without the sanction of the company in general meeting.

74. The directors shall duly comply with the provisions of the Mysore Companies Act, 1938, or any statutory modification thereof for the time being in force, and in particular with the provision in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, and to keeping a register of the directors, and to

sending to the registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

75. The directors shall cause minutes to be made in books provided for the purpose—

(*a*) of all appointments of officers made by the directors;

(*b*) of the names of the directors present at each meeting of the directors and of any committee of the directors;

(*c*) of all resolutions and proceedings at all meetings of the company, and, of the directors, and of committees of directors;

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

THE SEAL.

76. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DISQUALIFICATIONS OF DIRECTORS.

77. The office of director shall be vacated if the director—

(*a*) fails to obtain within the time specified in sub-section (1) of section 85 of the Mysore Companies Act, 1938, or at any time thereafter ceases to hold, the share qualification, if any, necessary for his appointment; or

(*b*) is found to be of unsound mind by a Court of competent jurisdiction; or

(*c*) is adjudged insolvent; or

(*d*) fails to pay calls made on him in respect of shares held by him within six months from the date of such calls being made; or

(*e*) without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a managing director or manager or a legal or technical adviser or banker; or

(*f*) absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is longer, without leave of absence from the board of directors; or

(*g*) accepts a loan from the company; or

(*h*) is concerned or participates in the profits of any contract with the company; or

(i) is punished with imprisonment for a term exceeding six months:

Provided, however, that no director shall vacate his office by reason of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director; but a director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

ROTATION OF DIRECTORS.

78. At the first ordinary meeting of the company, the whole of the directors shall retire from office, and at the ordinary meeting in every subsequent year, one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

79. The directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

80. A retiring director shall be eligible for re-election.

81. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

82. If at any meeting at which an election of directors ought to take place, the places of the vacating directors are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and, if at the adjourned meeting the places of the vacating directors are not filled up, the vacating directors or such of them as have not had their places filled up shall be deemed to have been re-elected at the adjourned meeting.

83. Subject to the provisions of sections 83-A and 83-B of Mysore Companies Act, 1938, the company may, from time to time, in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

84. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

85. The directors shall have power at any time, and from time to time, to appoint a person as an additional director, who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.

86. The company may by extraordinary resolution remove any director before the expiration of his period of office, and

may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

PROCEEDINGS OF DIRECTORS.

87. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors.

88. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall (when the number of directors exceeds three) be three.

89. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

90. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

91. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so found shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.

92. A committee may elect a chairman of their meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

93. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and, in case of an equality of votes, the chairman shall have a second or casting vote.

94. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons

acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

Dividends and Reserve.

95. The company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the directors.

96. The directors may, from time to time, pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

97. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits.

98. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this article as paid on the share.

99. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.

100. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividend payable on the share.

101. Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to share therein.

102. No dividend shall bear interest against the company.

Accounts.

103. The directors shall cause to be kept proper books of account with respect to—

(*a*) all sums of money received and expended by the company and the matters in respect of which the receipts and expenditure take place;

(*b*) all sales and purchases of goods by the company;

(*c*) the assets and liabilities of the company.

104. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

105. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the directors or by the company in general meeting.

106. The directors shall as required by sections 131 and 131-A of the Mysore Companies Act, 1938, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, income and expenditure accounts, balance-sheets, and reports as are referred to in those sections.

107. The profit and loss account shall, in addition to the matters referred to in sub-section (3) of section 132 of the Mysore Companies Act, 1938, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

108. A balance-sheet shall be made out in every year and laid before the company in general meeting made up to a date not more than six months before such meeting. The balance-sheet shall be accompanied by a report of the directors as to the state of the company's affairs, and the amount which they recommend to be paid by way of dividend, and the amount (if any) which they propose to carry to a reserve fund.

109. A copy of the balance-sheet and report shall, fourteen days previously to the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

110. The directors shall in all respects comply with the provisions of sections 130 to 135 of the Mysore Companies Act, 1938, or any statutory modification thereof for the time being in force.

AUDIT.

111. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Mysore

Companies Act, 1938, or any statutory modification thereof for the time being in force.

NOTICES.

112. (1) A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in Mysore) to the address, if any, within Mysore supplied by him to the company for the giving of notices to him.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

113. If a member has no registered address in Mysore, and has not supplied to the company an address within Mysore for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to be duly given to him on the day on which the advertisement appears.

114. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

115. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Mysore supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

116. Notice of every general meeting shall be given in some manner hereinbefore authorized to (*a*) every member of the company (including bearers of share-warrants) except those members who (having no registered address within Mysore) have not supplied to the company an address within Mysore for the giving of notices to them, and also to (*b*) every person entitled to a share in consequence of the death or insolvency of a member, who, but for his death or insolvency, would be entitled to receive notice of the meeting.

TABLE B.

(See sections 249 and 262.)

Table of Fees to be paid to the Registrar.

I—By a Company having a share capital.

		Rs.	a.	p.
1.	For registration of a company whose nominal share capital does not exceed Rs. 20,000, a fee of ...	40	0	0
2.	For registration of a company whose nominal share capital exceeds Rs. 20,000, the above fee of forty rupees, with the following additional fees regulated according to the amount of nominal capital (that is to say)—			
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 20,000 rupees up to 50,000 rupees ...	20	0	0
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 50,000 rupees up to 10,00,000 rupees ...	5	0	0
	For every 10,000 rupees of nominal share capital, or part of 10,000 rupees, after the first 10,00,000 rupees	1	0	0
3.	For registration of any increase of share capital made after the first registration of the company, the same fees per 10,000 rupees or part of 10,000 rupees as would have been payable if such increased share capital had formed part of the original share capital at the time of registration:			
	Provided that no company shall be liable to pay in respect of nominal share capital on registration or afterwards, any greater amount of fees than 1,000 rupees taking into account, in the case of fees payable on an increase of share capital after registration, the fees paid on registration.			
4.	For registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.			
5.	For filing returns of allotments prescribed by section 104 of this Act in cases in which the aggregate paid-up value of the shares allotted does not exceed Rs. 100, one per cent. on the paid-up value of the shares allotted; in cases in which the paid-up value exceeds Rs. 100	3	0	0
	For filing any other document required or authorized by this Act or rules made thereunder other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding-up	3	0	0

		Rs.	a.	p.
6.	For making a record of any fact by this Act authorized or required to be recorded by the registrar, a fee of	5	0	0

II—By a company not having a share capital.

1.	For registration of a company whose number of members, as stated in the articles of the association, does not exceed 20	40	0	0
2.	For registration of a company whose number of members, as stated in the articles of association, exceeds 20, but does not exceed 100 ...	100	0	0
3.	For registration of a company whose number of members, as stated in the articles of association, exceeds 100, but is not stated to be unlimited, the above fee of Rs. 100 with an additional Rs. 5 for every 50 members, or less number than 50 members after the first 100.			
4.	For registration of a company in which the number of members is stated in the articles of association to be unlimited, a fee of	400	0	0
5.	For registration of any increase on the number of members made after the registration of the company, the same fees as would have been payable if such increase had been stated in the articles of association at the time of the registration ...	5	0	0
	Provided that no one company shall be liable to pay on the whole a greater fee than Rs. 400 in respect of its number of members, taking into account the fee paid on the first registration of the company.			
6.	For registration of any existing company except such companies as are by this Act exempted from payment of fees in respect of registration under this Act, the same fee as is charged for registering a new company.			
7.	For filing returns of allotments prescribed by section 104 of this Act in cases in which the aggregate paid-up value of the shares allotted does not exceed Rs. 100, one per cent. on the paid-up value of the shares allotted; in cases in which the paid up value exceeds Rs. 100	3	0	0
	For filing any other document required or authorized by this Act or rules made thereunder other than the memorandum or the abstract required to be filed with the registrar by a receiver or the statement required to be filed with the registrar by the liquidator in a winding-up	3	0	0
8.	For making a record of any fact by this Act authorized or required to be recorded by the registrar, a fee of	5	0	0

THE SECOND SCHEDULE.

(*See sections 98 and 154*).

FORM I.

The Mysore Companies Act, 1938.

STATEMENT IN LIEU OF PROSPECTUS.

filed by

.....LIMITED,

pursuant to section 98 of the Mysore Companies Act, 1938.

Presented for filing by

The nominal share capital of the company	Rs. .....
Divided into.....	shares of Rs..... each shares of Rs..... each. shares of Rs..... each.
Amount (if any), of above capital which consists of redeemable preference shares.	shares of Rs..... each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of directors or proposed directors and managers or proposed managers, and any provision in the articles, or in any contract, as to appointment of and remuneration payable to directors or managers.	

If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.	
Number and amount of shares and debentures agreed to be issued as fully or partly paid-up otherwise than in cash.	1. ——shares of Rs..... fully paid. 2. ——shares upon which Rs.....per share credited as paid. 3. Debenture Rs..... 4. Consideration.
Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company. Amount (in cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.	Total purchase price ... Rs. ..... Cash ... Rs. ..... Shares ... Rs. ..... Debentures ... Rs. ..... Goodwill ... Rs. .....
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company; or Rate of the commission.....	Amount paid. Amount payable. Rate per cent.
The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.	

Estimated amount of preliminary expenses.	Rs.....
Amount paid or intended to be paid to any promoter. Consideration for the payment.	Name of promoter..... Amount Rs..... Consideration :—
Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the company or contracts, other than contracts appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the delivery of this statement).	
Time and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the auditors of the company (if any).	
Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.	

If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement: provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year, the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	
Signatures of the persons above-named as directors or proposed directors, or of their agents authorized (in writing). Date.	

FORM II.

The Mysore Companies Act, 1938.

STATEMENT IN LIEU OF PROSPECTUS

filed by

.....LIMITED,

pursuant to sub-section (1) of section 154 of the Mysore Companies Act, 1938.

Presented for filing by

The nominal share capital of the company.	Rs.....
Divided into	Shares of Rs. ..... each. Shares of Rs. ..... each. Shares of Rs. ..... each.
Amount (if any) of above capital which consists of redeemable preference shares.	Shares of Rs. ..... each.
The date on or before which these shares are, or are liable, to be redeemed.	
Names, descriptions and addresses of directors or proposed directors and managers or proposed managers, and any provision in the articles, or in any contract, as to appointment of and remuneration payable to directors or managers.	
If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by and the rights in respect of capital and dividends attached to the several classes of shares respectively.	
Number and amount of shares and debentures issued within two years preceding the date of this statement as fully or partly paid-up otherwise than for cash or agreed to be so issued at the date of this statement.	1. Shares of Rs..... fully paid. 2. Shares upon which Rs. ..... per share credited as paid. 3. Debenture Rs..... 4. Consideration.

Names and addresses of vendors of property (1) purchased or acquired by the company within the two years preceding the date of this statement or (2) agreed or proposed to be purchased or acquired by the company.	
Amount (in cash, shares or debentures) payable to each separate vendor.	
Amount (if any) paid or payable (in cash or shares or debentures) for any such property specifying amount (if any) paid or payable for goodwill.	Total purchase price ... Rs..... Cash ... Rs..... Shares ... Rs ..... Debentures. Rs..... Goodwill ... Rs..... .....
Amount (if any) paid or payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures in the company ; or Rate of the commission.	Amount paid. Amount payable. Rate per cent.
The number of shares, if any, which persons have agreed for a commission to subscribe absolutely.	
Unless more than two years have elapsed since the date on which the company was entitled to commence business : — Estimated amount of preliminary expenses. Amount paid or intended to be paid to any promoter. Consideration for the payment.	Rs. Name of promoter. Amount Rs. Consideration.
Dates of, and parties to every material contract (except contracts entered into in the ordinary course of the business intended to be carried on by the company or contracts, other than contracts appointing or fixing the remuneration of a managing director or managing agent, entered into more than two years before the delivery of this statement).	

Times and place at which the contracts or copies thereof may be inspected.	
Names and addresses of the auditors of the company.	
Full particulars of the nature and extent of the interest of every director in the promotion of or in the property purchased or acquired by the company within the two years preceding the date of this statement or proposed to be acquired by the company, or, where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm in connection with the promotion of the formation of the company.	
If it is proposed to acquire any business, the amount, as certified by the persons by whom the accounts of the business have been audited, of the net profits of the business in respect of each of the three financial years immediately preceding the date of this statement : provided that in the case of a business which has been carried on for less than three years and the accounts of which have only been made up in respect of two years or one year, the above requirement shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years, and in any such case the statement shall say how long the business to be acquired has been carried on.	
(Signatures of the persons abovenamed as directors or proposed directors or of their agents authorized in writing.)	

Dated the *day of*

THE THIRD SCHEDULE.

FORM A.

(See sections 6 and 151.)

Memorandum of Association of a Company Limited by Shares.

1*st.*—The name of the company is "The Eastern Steam Packet Company, Ltd."

2*nd.*—The registered office of the company will be situate in the province of Bombay.

3*rd.*—The objects for which the company is established are "the conveyance of passengers and goods in ships or boats between such places as the company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4*th.*—The liability of the members is limited.

5*th.*—The share capital of the company is two hundred thousand rupees, divided into one thousand shares of two hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
1. A. B. of, Merchant	200
2. C. D. ,, ...	25
3. E. F. ,, ...	30
4. G. H. ,, ...	40
5. I. J. ,, ...	15
6. K. L. ,, ...	5
7. M. N. ,, ...	10
Total shares taken ...	325

Dated the day of 19 .

Witness to the above signatures.

X. Y. of .

FORM B.

(See sections 7 and 151).

Memorandum and Articles of Association of a Company Limited by Guarantee and not having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Mutual Calcutta Marine Association, Limited."

2nd.—The registered office of the company will be situate in Calcutta.

3rd.—The objects for which the company is established are "the mutual insurance of ships belonging to members of the company, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one hundred rupees.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of ...
"2. C. D. of ...
"3. E. F. of ...
"4. G. H. of ...
"5. I. J. of ...
"6. K. L. of ...
"7. M. N. of ...

Dated the day of

Witness to the above signatures.

X. Y. of

Articles of Association to accompany preceding Memorandum of Association.

Number of Members.

1. The company for the purpose of registration is declared to consist of five hundred members.

2. The directors hereinafter mentioned may, whenever the business or the association requires it, register an increase of members.

Definition of Members.

3. Every person shall be deemed to have agreed to become a member of the company who insures any ship or share in a ship in pursuance of the regulations hereinafter contained.

General Meetings.

4. The first general meeting shall be held at such time, not being less than one month nor more than three months after the incorporation of the company, and at such place, as the directors may determine.

5. A general meeting shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the company in general meeting, or, in default, at such time in the month following that in which the anniversary of the company's incorporation occurs, and at such place, as the directors shall appoint. In default of a general meeting being so held, a general meeting shall be held in the month next following, and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

6. The abovementioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

7. The directors may, whenever they think fit, and shall, on a requisition made in writing by any five or more members, call an extraordinary general meeting.

8. Any requisition made by the members must state the object of the meeting proposed to be called, and must be signed by the requisitionists and deposited at the registered office of the company.

9. On receipt of the requisition, the directors shall forthwith proceed to call a general meeting: if they do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any other five members may themselves call a meeting.

PROCEEDINGS AT GENERAL MEETINGS.

10. Fourteen days' notice at the least, specifying the place, the day and the hour of meeting, and in case of special business, the general nature of the business, shall be given to the members in manner hereinafter mentioned, or in such other manner (if any) as may be prescribed by the company in general meeting; but the non-receipt of such a notice by any member shall not invalidate the proceedings at any general meeting.

11. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting with the exception of the consideration of the accounts, balance-sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of remuneration of the auditors.

12. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of members is present at the commencement of the business. The quorum shall be ascertained as follows (that is to say):—if the members of the company at the time of the meeting do not exceed ten in number, the quorum shall be five: if they exceed ten, there shall be added to the above quorum one for every five additional members with this limitation, that no quorum shall in any case exceed ten.

13. If within one hour from the time appointed for the meeting, a quorum of members is not present, the meeting, if called on the requisition of the members, shall be dissolved; in any other case it shall stand adjourned to the same day in the following week at the same time and place; and if at such adjourned meeting a quorum of members is not present, it shall be adjourned *sine die*.

14. The chairman (if any) of the directors shall preside as chairman at every general meeting of the company.

15. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the members present shall choose some one of their number to be chairman of that meeting.

16. The chairman may, with the consent of the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

17. At any general meeting, unless a poll is demanded by at least three members, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.

18. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

VOTES OF MEMBERS.

19. Every member shall have one vote and no more.

20. If any member is a lunatic or idiot, he may vote by his committee or other legal guardian.

21. No member shall be entitled to vote at any meeting unless all moneys due from him to the company have been paid.

22. On a poll, votes may be given either personally or by proxy: Provided that no company shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 80 of the Mysore Companies Act, 1938, is in force. A proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a corporation under its common seal.

23. (1) No person shall act as a proxy unless he is a member, or unless he is appointed to act at the meeting as proxy for corporation.

(2) The instrument appointing him shall be deposited at the registered office of the company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote.

24. Any instrument appointing a proxy shall be in the following form :—

Company, Limited,

I, , of , being a Member of the Company, Limited, hereby appoint of as my proxy, to vote for me and on my behalf at the [ordinary or, extraordinary, as the case may be] general meeting of the company to be held on the day of and at any adjournment thereof.

Signed this day of

DIRECTORS.

25. The number of the directors and the names of the first directors shall be determined by the subscribers of the memorandum of association.

26. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of the Mysore Companies Act, 1938, be deemed to be directors.

POWERS OF DIRECTORS.

27. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by the Mysore Companies Act, 1938, or by any statutory modification thereof for the time being in force, or by these articles, required to be exercised by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

ELECTIONS OF DIRECTORS.

28. The directors shall be elected annually by the company in general meeting.

BUSINESS OF COMPANY.

(Here insert *rules as to mode in which business of insurance is to be conducted.*)

AUDIT.

29. Auditors shall be appointed and their duties regulated in accordance with sections 144 and 145 of the Mysore Companies Act, 1938, or any statutory modification thereof for the time being in force, and for this purpose the said sections shall have effect as if the word "members," were substituted for "shareholders," and as if "first general meeting" were substituted for "statutory meeting."

NOTICES.

30. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address.

31. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the *day of* *19* .

Witness to the above signatures.

X. Y., of

FORM C.

(See sections 7 and 151.)

Memorandum and Articles of Association of a Company Limited by Guarantee, and having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Snowy Range Hotel Company, Limited."

2nd.—The registered office of the company will be situate in the.....

3rd.—The objects for which the company is established are "the facilitating travelling in the Snowy Range, by providing hotels and conveyances by sea and by land for the accommodation of travellers, and the doing all such other things as are incidental or conducive to the attainment of the above object."

4th.—The liability of the members is limited.

5th.—Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, while he is a member, or within one year afterwards, for payment of the debts and liabilities of the company, contracted before he ceases to be a member, and the cost, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding fifty rupees.

6th.—The share capital of the company shall consist of five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
"1. A. B. of	200
"2. C. D. of	25
"3. E. F. of	30
"4. G. H. of	40
"5. I. J. of	15
"6. K. L. of	5
"7. M. N. of	10
Total shares taken ...	325

Dated the ..... *day of* ..... *19* .

Witness to the above signatures.

X. Y., of

Articles of Association to accompany preceding Memorandum of Association.

1. The share capital of the company is five hundred thousand rupees, divided into five thousand shares of one hundred rupees each.

2. The directors may, with the sanction of the company in general meeting, reduce the amount of shares in the company.

3. The directors may, with the sanction of the company in general meeting, cancel any shares belonging to the company.

4. All the articles of Table A of the Mysore Companies Act, 1938, shall be deemed to be incorporated with these articles and to apply to the company.

Names, Addresses and Descriptions of Subscribers.

"1. A. B. of , merchant.
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y., of

FORM D.

(*See sections 8 and 151.*)

Memorandum and Articles of Association of an Unlimited Company having a Share Capital.

MEMORANDUM OF ASSOCIATION.

1st.—The name of the company is "The Patent Stereotype Company."

2nd.—The registered office of the company will be situate in the... .....

3rd.—The objects for which the company is established are "the working of a patent method of founding and casting stereotype plates of which method P.Q., of , is the sole patentee."

We, the several persons whose names are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber
"1. A. B. of	3
"2. C. D. of	2
"3. E. F. of	1
"4. G. H. of	2
"5. I. J. of	2
"6. K. L. of	1
"7. M. N. of	1
Total shares taken ...	12

Dated the day of 19 .

Witness to the above signatures.

X. Y. of

Articles of Association to accompany the preceding Memorandum of Association.

1. The share capital of the company is twenty thousand rupees, divided into twenty shares of one thousand rupees each.

2. All the articles of Table A of the Mysore Companies Act, 1938, shall be deemed to be incorporated with these articles, and to apply to the company.

Names, Addresses and descriptions of Subscribers.

"1. A. B. of , merchant.
"2. C. D. of
"3. E. F. of
"4. G. H. of
"5. I. J. of
"6. K. L. of
"7. M. N. of

Dated the day of 19

Witness to the above signatures.

X. Y. of

FORM E.

As required by Part III of the Act.

(*See section 32.*)

Summary of Share Capital and Shares of the Company, Limited, made up to the day of 19 (being the day of the first ordinary general meeting in 19).

Nominal share capital Rs. divided into * } shares of Rs. each
} shares of Rs. each

Total number of shares taken up to the day of 19 which number must agree with the total shown in the list as held by existing members. }

Number of shares issued subject to payment wholly in cash.

Number of shares issued as fully paid up otherwise than in cash.

Number of shares issued as partly paid up to the extent of per share otherwise than in cash. }

† There has been called up on each—of shares ... ... Rs.

There has been called up on each—of shares ... ... Rs.

There has been called up on each—of shares ... ... Rs.

‡ Total amount of calls received, including payments on application and allotment ... ... Rs.

Total amount (if any) agreed to be considered as paid on shares which have been issued as fully paid up otherwise than in cash ... ... Rs.

Total amount (if any) agreed to be considered as paid on shares which have been issued as partly paid up to the extent of per share ... ... Rs.

Total amount of calls unpaid ... ... Rs.

Total amount (if any) of sums paid by way of commission in respect of shares or debentures or allowed by way of discount since date of last summary ... ... Rs.

Total amount (if any) paid on § shares forfeited ... Rs.

Total amount of shares and stock for which share-warrants are outstanding ... ... Rs.

Total amount of share-warrants issued and surrendered respectively since date of last summary ... ... Rs.

Number of shares or amount of stock comprised in each share-warrant ... ... Rs.

Total amount of debt due from the company in respect of all mortgages and charges which are required to be registered with the registrar under this Act ... ... Rs.

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* When there are shares of different kinds or amounts (*e.g.*, Preference and Ordinary or Rs. 100 or Rs. 200), state the numbers and nominal values separately.

† Where various amounts have been called or there are shares of different kinds, state them separately.

‡ Include what has been received or forfeited as well as on existing shares.

§ State the aggregate number of shares forfeited.

List of persons holding shares in the Company, Limited, on the day of 19 , and of persons who have held shares herein at any time since the date of the last return, showing their names and addresses and an account of the shares so held.

Folio in register ledger containing particulars	Names, addresses and occupations				Account of shares					Remarks
	Name in full	Father's name	Address	Occupation or caste	* Number of shares held by existing members at date of return	§Particulars of shares transferred since the date of the last return by persons who are still members.		§Particulars of shares transferred since the date of the last return by persons who have ceased to be members.		
						Number †	Date of registration of transfer	Number ††	Date of registration of transfer	

Names and addresses of the persons who are the Directors of the Limited, on the day of 19 .

Names	Addresses

Names and addresses of the persons who are the managers of the Limited, on the day of 19 .

Names	Addresses

NOTE.—Banking companies must add a list of all their places of business.

I, , do hereby certify that the above list and summary truly and correctly states the facts as they stood on the day of 19 .

(Signature)————————————

(State whether director, manager or secretary.)

* State the aggregate number of shares forfeited (if any).

† The aggregate number of shares held, and not the distinctive numbers, must be stated and the column must be added up throughout so as to make one total to agree with that stated in the summary to have been taken up.

‡ When the shares are of different classes, these columns may be sub-divided so that the number of each class held or transferred may be shown separately.

§ The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed opposite the name of the transferor and not opposite that of the transferee, but the name of the transferee may be inserted in the remarks column immediately opposite the particulars of each transfer.

FORM F.

(See section 132.)

....., LIMITED.

Balance Sheet as at..... ....*19* .

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.	PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
CAPITAL— Authorized Capital.....shares of Rs..... each ...			FIXED CAPITAL EXPENDITURE— (Distinguishing as far as possible between expenditure upon good will, land, buildings, lease-holds, railway sidings, plant, machinery, furniture, development of property, patents, trade marks and designs, interest paid out of Capital during construction, etc., and stating in every case the original cost and the additions thereto and deductions therefrom during the year, and the total Depreciation written off under each head. Where sums have been written off on a reduction of capital or a re-valuation of assets every balance-sheet after the first balance-sheet subsequent to the reduction or re-valuation shall show the reduced figures, with the date of and the amount of the reduction made.)		
(Distinguishing between the various classes of capital.) Issued Capital.....shares of Rs..... each.					
(*i*) Shares issued as fully paid up pursuant to any contract without payments being received in cash ..... shares of Rs. ..... each (*ii*) Shares issued for payments in cash ..... shares of Rs. ..... each. Subscribed Capital.....shares of Rs. ..... each.					
Amount called up at Rs. .....per share ... *Less*—Calls unpaid— (*i*) due from Managing Agents ... ... (*ii*) due from others			PRELIMINARY EXPENSES ... ... COMMISSION OR BROKERAGE ... ... (Commission or Brokerage paid for underwriting or placing or subscribing shares or debentures until written off.) ...		
Add—Forfeited shares (amount paid up) ... *Note.*—Where circumstances permit issued and subscribed capital and amount called up may be shown as one item, *e.g.*, Issued and Subscribed Capital.....Shares of Rs.....each, Rs.....paid up			DISCOUNT ALLOWED on the issue of shares or so much as has not been written off at the date of the balance-sheet. STORES AND SPARE PARTS		

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FORM F—*contd.*

CAPITAL AND LIABILITIES—*contd.*	Rs. a. p.	Rs. a. p.
RESERVES		
DEBENTURES stating the nature of security ...		
ANY SINKING FUND		
ANY OTHER FUND CREATED OUT OF NET PROFITS including any development fund.		
ANY PENSION OR INSURANCE FUND		
PROVISION FOR BAD AND DOUBTFUL DEBTS ...		
LOANS—		
(*a*) Secured—		
(*i*) loans on mortgages or fixed assets ...		
(*ii*) loans on debentures		
(*iii*) loans from banks, stating the nature of security		
(*iv*) liabilities to subsidiary companies ...		
(*v*) other secured loans, stating the nature of security.		
(*vi*) interest accrued on mortgages, debentures or other secured loans.		
(*b*) Unsecured...		
(*i*) loans from banks		
(*ii*) fixed deposits		
(*iii*) short-term loans		
(*iv*) advances by directors or managers and managing agents.		
(*v*) interest accruing but not due and interest accrued and due.		
(*vi*) liabilities to subsidiary companies ...		
UNCLAIMED DIVIDENDS		
LIABILITIES—		
For Goods supplied		
,, Expenses		
,, Acceptances		
,, Other Finance		

PROPERTY AND ASSETS—*contd.*	Rs. a. p.	Rs. a. p.
LOOSE TOOLS		
LIVE-STOCK AND VEHICLES		
STOCK IN TRADE		
(Stating mode of valuation, *e.g.*, cost or market value.)		
BILLS OF EXCHANGE		
BOOK DEBTS—		
(Distinguishing between those considered good and in respect of which the company is fully secured and those considered good for which the company holds no security other than the debtor's personal security, and distinguishing between debts considered good and debts considered doubtful or bad. Debts due by directors or other officers of the company or any of them either severally or jointly with any other persons to be separately stated.)		
ADVANCES		
(Recoverable in cash or in kind or for value to be received, *e.g.*, Rates, Taxes, Insurance, etc., showing separately—		
(*i*) loans given to subsidiary companies ...		
(*ii*) loans including temporary advances made at any time during the year to directors or managers of the company.)		
INVESTMENTS		
(Showing nature of investments and mode of valuation, *e.g.*, Cost or Market value) and distinguishing—		
(*i*) investments in Government or trust securities		
(*ii*) investments in shares, debentures or bonds (showing separately shares fully paid up and partly paid up) ...		

FORM F—*concld.*,

CAPITAL AND LIABILITIES—*concld.*	Rs. a. p.	Rs. a. p.	PROPERTY AND ASSETS—*concld.*	Rs. a. p.	Rs. a. p.
ADVANCE PAYMENTS AND UNEXPIRED DISCOUNTS.			(*iii*) investments in shares, debentures or bonds of subsidiary companies		
(For the portion for which value has still to be given, *e.g.*, in the case of the following classes of companies— Newspaper, Fire Insurance, Theatre, Club, Banking, Steamship Companies, etc.)			(*iv*) immovable properties		
			INTEREST ACCRUED ON INVESTMENTS ...		
PROFIT AND LOSS			CASH AND OTHER BALANCES		
			Amount in hand		
			Balances with Agents and Bankers (in detail showing whether on deposit or current account, etc.)		
CONTINGENT LIABILITIES—			Profit and Loss		
Claims against the company not acknowledged as debts.					
Money for which the company is contingently liable. (Showing separately the amount of any guarantees given by the company on behalf of directors or officers of the company.)					
Arrears of Cumulative Preference Dividends ...					

The information required to be given under any of the items or sub-items in this Form if not included in the Balance-Sheet itself shall be furnished in a separate Schedule or Schedules to be attached to and to form part of the Balance-Sheet.

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FORM G.

(*See section 136.*)

Form of Statement to be published by Banking and Insurance Companies and Deposit, Provident, or Benefit Societies.

* The share capital of the company is Rs. divided into shares of each.

The number of shares issued is . . Calls to the amount of Rs. per share have been made, under which the sum of Rs. has been received.

The liabilities of the company on the thirty-first day of December (or thirtieth of June) were :—

Debts owing to sundry persons by the company—

Under decree, Rs.
On mortgages or bonds, Rs.
On notes, bill, or hundis, Rs.
On other contracts, Rs.
On estimated liabilities, Rs.

The assets of the company on that day were :—

Government securities [stating them], Rs.
Bills of exchange, hundis and promissory notes, Rs.
Cash at the Bankers, Rs.
Other securities, Rs.

---

* If the company has no capital divided into shares, the portion of the statement relating to capital and share must be omitted.

FORM H.

(See section 277.)

Information to be supplied in or in addition to the information contained in the Balance-Sheet of a company referred to in Part X.

LIABILITIES.

1. Summary of Authorized Share Capital and issued Share Capital.

2. Redeemable Preference Shares, stating date on or before which the shares are or are liable to be redeemed.

3. Debentures stating the nature of Security.

4. Redeemed debentures which the company has power to re-issue.

5. Loans (*a*) secured, stating the nature of the security;
(*b*) unsecured.

6. Loans from Banks—
(*a*) Secured, stating nature of security,
(*b*) Unsecured.

7. Profit and Loss Account, showing (unless disclosed in a separate account)—
Balance as per previous Balance-Sheet.
Appropriation thereof.
Profit since last Balance-Sheet.

8. Contingent Liabilities.

9. Arrears of Cumulative Preference Dividend.

ASSETS.

1. Fixed Assets, with sufficient particulars to disclose their general nature, and stating how their values are arrived at.

2. Preliminary expenses, so far as not written off.

3. Any expenses incurred in connection with any issue of Share Capital or Debentures, so far as not written off.

4. If it is shown as a separate item in or is otherwise ascertainable from the books of the company, or from any contract for the sale or purchase of any property to be acquired by the company, or from any documents in the possession of the company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property the amount of the goodwill and of any patents and trade marks as so shown or ascertained.

5. Interest paid on Capital, so far as not written off, showing the Share Capital on which and the rate at which interest has been paid out of Capital during the period to which the accounts relate.

6. Discount allowed on Shares issued, so far as not written off.

7. Commission paid or allowed in respect of any shares or debentures, so far as not written off.

8. Loans outstanding to enable employees or trustees on their behalf to purchase shares in the company.

9. Particulars showing—

(*a*) the amount of any loans which during the period to which the accounts relate have been made either by the company or by any other person under a guarantee from or on a security provided by the company to any director or officer of the company, including any such loans which were repaid during the said period ;

and

(*b*) the amount of any loans made in manner aforesaid to any director or officer at any time before the period aforesaid and outstanding at the expiration thereof ;

and

(*c*) the total of the amount paid to the directors as remuneration for their services, inclusive of all fees, percentages, or other emoluments, paid to or receivable by them by or from the company or by or from any subsidiary company.

Note (1)—There shall not be required to be shown—

(*a*) in the case of a company the ordinary business of which includes the lending of money, loans made by the company in the ordinary course of its business ;

or

(*b*) loans made by the company to any employee of the company if the loan does not exceed twenty thousand rupees and is certified by the directors of the company to have been made in accordance with any practice adopted or about to be adopted by the company with respect to loans to its employees.

Note (2)—The foregoing shall not apply in relation to a Managing Director of the company, and in the case of any other director who holds any salaried employment or office in the company there shall not be required to be included in the said total amount any sums paid to him except sums paid by way of directors' fees.

(Where a company is a holding company then the Balance-Sheet shall disclose the particulars required by section 132-A.)

THE FOURTH SCHEDULE.

(*See section 290.*)

ENACTMENTS REPEALED.

1	2	3	4
Year	No.	Subject or short title	Extent of repeal
1895	III	The Mysore Companies Act, 1895.	So much as has not been repealed.
1917	VIII	The Mysore Companies Act, 1917.	So much as has not been repealed.
1923	XVI	The Mysore Companies Amendment Act, 1923.	The whole

MIRZA M. ISMAIL,

Dewan.

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BANGALORE, THURSDAY, SEPTEMBER 8, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 1300—*Pol.* 21-38-4, *dated Bangalore, 3rd September* 1938.

In exercise of the powers conferred by Sections 4 and 12 of the Mysore Arms Act VI of 1890, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to direct that the following further amendment shall be made in the Mysore Arms Rules, 1926, namely :—

In rule 4 (*a*) of the said rules add "and Chlorates" after the words "analogus liquids, materials or devices."

In rule 4 (*b*) of the said rules add after "devices", "and Chlorates."

In rule 5 (2) add the following as sub-clause (*c*).

"(*c*) To chlorates transported for *bona-fide* industrial, agricultural and medicinal purposes."

In Schedule II of the said rules add the following as clause (4) :—

" (4) Chlorates possessed or sold by *bona-fide* medical practitioners and dispensing chemists in accordance with such conditions as may be prescribed by the Government."	Prohibition and Directions. Those contained in Sections 5 and 9.

By Order,
B. T. KESAVIENGAR,
Chief Secretary to Government.

No. T. 708—*R. T.* 10-37-57, *dated Bangalore,*
1*st September* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act 1928, the Government of His Highness the Maharaja are pleased to issue the following proviso to Rule 1-A of the Mysore Motor Vehicles Rules 1924, as amended from time to time, the draft proviso having been published with Government Notification No. T. 103—R. T. 10-37-37, dated 15th July 1938 at page 146, Part IV of the *Mysore Gazette*, dated 21st July 1938.

Proviso.

The following shall be added as proviso to Rule 1-A of the Mysore Motor Vehicles Rules 1924, as amended from time to time :—

Proviso.—Provided that the registration shall be made in the name of not more than a single person whether in his own behalf or as a partner of a partnership business or in the name of a company registered according to the provisions of law.

Order No. P. 1322—*Legis.* 14-38-1, *dated Bangalore, the 5th September* 1938.

Ordered that the accompanying Emergency Act to amend the Paper Currency Act, 1919, which received the assent of His Highness the Maharaja, on the thirtieth day of August 1938, be published as Act XIX of 1938 in the Gazette for general information.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

EMERGENCY ACT.

No. XIX OF 1938.

(Received the assent of His Highness the Maharaja on the Thirtieth day of August 1938.)

An Act to amend the Mysore Paper Currency Act, 1919.

Whereas an emergency has arisen which makes it necessary to amend the Mysore Paper Currency Act, 1919; now therefore under Section 12 of the Mysore Legislative Council Act, 1923, it is hereby enacted as follows:—

1. (i) This Act may be called the Mysore Paper Currency (Amendment) Emergency Act, 1938.

(ii) It shall come into force at once.

2. In Section 2 of the Mysore Paper Currency Act, 1919, after the words "British India" the following shall be inserted, namely:—

"or a bank note issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934, so long as such bank note is legal tender in British India."

MIRZA M. ISMAIL,
Dewan.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 782—*R. T.* 5-38-5, *dated Bangalore, 6th September* 1938.

In exercise of the powers conferred on them by Section 3 of the Mysore Highway Act, IV of 1920, the Government of His Highness the Maharaja are pleased to issue the following rule, the draft in the said behalf having been published with Notification No. T. 486—R. T. 5-38-3, dated 9th August 1938 at page 210, Part IV of the *Mysore Gazette*, dated 18th August 1938.

RULE.

The maximum quantity of timber to be transported on a bullock cart on the Mysore—Manantody main road shall not exceed 30 to 35 cubic feet.

No. T. 770—R. T. 10-37-58, dated Bangalore, 6th September. 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928 and Section 33 of the Mysore Road Traffic and Taxes Act VI, 1935, the Government of His Highness the Maharaja are pleased to issue the following rules, the draft in the said behalf having been published with Notification No. T. 361 —R. T. 10-37-54, dated 27th July 1938 at page 194, Part IV of the *Mysore Gazette*, dated 4th August 1938.

RULES.

Add the following as Rule 18 (1) (c) to the Mysore Motor Vehicles Rules, 1924, as amended from time to time :—

"18 (1) (c). A driver of a motor bus shall, before being granted a license, produce a certificate from the Secretary, St. John's Ambulance Association, to the effect that he has successfully undergone a course of training in First Aid."

Add the following as Rule 41 (ii) (*a*) to the rules regarding Public Service Motor Vehicles as amended from time to time :—

"41 (ii) (*a*). No person shall be granted by the District Magistrate a written authority to act as a conductor of a motor bus unless he produces a certificate from the Secretary, St. John's Ambulance Association to the effect that he has successfully undergone a course of training in First Aid."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,

General Department.

D. 1633—*P. & T.* 25-36-5, *dated Bangalore, 6th September* 1938.

In exercise of the powers vested in them under Section 1 (3) of the Act for the Regulation of Wireless Telegraphy in Mysore (Act IV of 1937), the Government of His Highness the Maharaja are pleased to direct that the Act shall come into force from 1st October 1938.

No. D. 1643—*P. & T.* 25-36-6, *dated Bangalore, 6th September* 1938.

In exercise of the powers vested in them under Section 13 (i) of the Mysore Wireless Telegraphy Act IV of 1937, the Government of His Highness the Maharaja of Mysore are pleased to issue the following rules, and direct that they shall come into force from 1st October 1938.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

THE MYSORE WIRELESS TELEGRAPHY RULES.

1. (i) These rules may be called 'The Mysore Wireless Telegraphy' Rules.

(ii) They shall come into force with effect from 1st October 1938.

2. In these rules, unless there is anything repugnant in the subject or context,

(*a*) The 'Act' means the Act IV of 1937 for the Regulation of Wireless Telegraphy in Mysore.

(*b*) A 'Wireless receiving station' means a station which is capable of receiving speech but not capable of transmitting.

(c) 'Fixed non-commercial station' means a station established on land for purposes of transmission and reception of speech for research, experiment or instruction.

(d) 'Complete Wireless Set' means any apparatus which is capable in itself of transmitting or receiving wireless signals with or without the addition of aerials, valves, power supply, telephones, loud speakers or equivalent devices.

(e) 'Dealer' means any person who deals in or manufactures for gain wireless telegraphy apparatus as defined in the Mysore Wireless Telegraphy Act of 1937.

(f) 'Licensing authority' means the authority constituted under section 5 (1) of the Act.

(g) A 'Commercial Broadcast Receiver' means and includes wireless receivers and apparatus used for purpose of reproducing broadcast programmes in business premises to which the public have access.

3. (i) No license is required under these rules to establish, maintain and work a wireless receiving station or fixed non-commercial station or to possess a wireless telegraph apparatus when owned or worked by His Highness the Maharaja of Mysore or the Government of Mysore.

(ii) Subject to the provisions contained in these rules, every person other than a dealer is exempted from the requirement of holding a license to possess wireless telegraphy apparatus in respect of—

(a) such apparatus as is reasonably required for the purpose specified in a current license issued to him under rule 5 (a) or (b);

(b) wireless telegraphy apparatus other than complete wireless sets.

4. Application for a license—

(a) to establish, maintain and work a wireless receiving station shall be made in Form No. I and in accordance with the instructions contained therein;

(b) to establish, maintain and work a fixed non-commercial station, shall be made in Form No. II and in accordance with the instructions contained therein;

(c) to possess wireless telegraphy apparatus shall be made in Form No. III and in accordance with the instructions contained therein;

(*d*) application for a license for working Commercial Broadcast Receivers in the rooms of business premises to which the public have access shall be made in Form IIIA and in accordance with the conditions contained therein;

(*e*) application for a license to demonstrate wireless receiving apparatus shall be made in Form III B and in accordance with the conditions contained therein

5. Licenses shall be issued—

(*a*) to establish, maintain and work a wireless receiving station in Form No. IV and subject to the conditions contained therein;

(*b*) to establish, maintain and work a fixed non-commercial station in Form No. V and subject to the conditions contained therein;

(*c*) to persons other than dealers in Form No. VI, and to dealers in Form No. VII, for possession of wireless telegraphy apparatus;

(*d*) for working Commercial Broadcast Receivers in Form No. VIII;

(*e*) for demonstration of wireless receiving apparatus in Form No. IX.

6. A fee of Rs. 10 shall be payable for every license except for Commercial Broadcast Receivers and demonstrations of wireless receiving apparatus issued under these rules and for subsequent renewals.

In the case of licenses for Commercial Broadcast Receivers and demonstration of wireless receiving apparatus, the fee will be Rs. 25 and Rs. 5 respectively. The fee for the renewal of the former will be Rs. 25 when the license is renewed on or before the date of expiry, and Rs. 25 if renewed after the date of expiry.

Exception:—No fee will be levied in respect of apparatus used for research, experimental and educational purposes, by educational and other institutions recognised by Government.

7. Licenses shall be valid for a period of 12 calendar months beginning from the first day of the month of issue.

8. Licenses issued under these rules are not transferable.

9. No refund shall be granted of any fees paid under these rules.

10. The licensing authority may cancel any license issued under these rules to any person who has been

convicted of a breach of these rules or of an offence punishable under sections 7, 8 or 9 of the Act.

11. Where the licensing authority is satisfied that a license granted under these rules has been lost or accidentally destroyed, he may grant a duplicate or substitute license on payment of a fee of rupees two.

12. (*a*) Every person licensed under these rules for establishing, maintaining and working a wireless receiving set shall use the same only for reception and for purposes other than public or private correspondence, *i.e.*, experiment, instruction and use by amateurs.

(*b*) It shall not be used for business purposes except by dealers who are in possession of a license issued under these rules to possess wireless telegraphy apparatus.

13. (*a*) Every person licensed under these rules shall keep the wireless telegraphy apparatus possessed by him at the premises specified in that behalf in the license.

(*b*) A license issued under these rules for possession of wireless telegraphy apparatus shall ordinarily authorise the licensee to keep wireless telegraphy apparatus in one building only, provided that the licensing authority may at his discretion permit the licensee to keep the apparatus in two or more buildings.

(*c*) The licensing authority may, during the currency of a license, alter the specification of the premises specified therein on receipt of a written application from the licensee together with the license for amendment.

14. Every dealer shall maintain a register of wireless telegraphy apparatus and shall cause to be entered therein—

(*a*) the details of all such apparatus in his possession together with the dates on which the apparatus came into his possession and the sources from which he obtained it;

(*b*) the name and address of every person to whom he sells or otherwise transfers wireless telegraphy apparatus together with the date and particulars of such apparatus;

(*c*) In the case of complete wireless sets, the details, save where proviso to rule 15 is applicable, of the license specified in that rule.

15. Every dealer shall require every person purchasing or acquiring a complete wireless set to produce a

valid license issued in such person's name either under these rules to establish, maintain and work a wireless receiving station, or a fixed non-commercial station, or, to possess wireless telegraphy apparatus.

Provided that this rule shall not apply—

(a) when the person purchasing or acquiring a complete wireless set is not resident in Mysore State and is purchasing or acquiring the set for use outside Mysore State;

(b) up to and including 1st October 1938 when the person purchasing or acquiring a complete wireless set is a dealer who declares that he has applied to the licensing authority for a license to possess wireless telegraphy apparatus and has not received the license.

16. (*a*) The licensing authority, may, by order in writing appoint Inspectors and Inspecting Officers under these rules.

(*b*) Such Inspector or Inspecting Officer may inspect any wireless telegraphy apparatus in possession of any person who is licensed or exempted under these rules.

(*c*) On demand from such Inspector or Inspecting Officer every person licensed under these rules shall produce his license for inspection and such person shall to the best of his knowledge, and if so required by an Inspector or Inspecting Officer, give particulars regarding the name and address of any person to whom he may have transferred any wireless telegraphy apparatus.

(*d*) On demand from such Inspector or Inspecting Officer every dealer shall produce the register required under rule 14 of these rules and shall permit the Inspector or Inspecting Officer to make extracts therefrom.

17. The Director of Industries and Commerce in Mysore, Bangalore, shall be the authority to issue licenses under these rules.

18. Any breach of the rules other than a breach which is an offence punishable under sections 7, 8 or 9 of the Act shall be punishable with fine, which may extend to one hundred rupees.

19. No prosecution will be instituted under the Act or the rules framed thereunder, until the expiration of 15 days next after the issue of a notice to the party concerned.

FORM I.

Application for a License to Establish a Wireless Receiving Station.

(*Broadcast Receiver.*)

NOTE.—The application should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, and must be accompanied by a receipt from one of the Mysore Government treasuries for Rs. 10 and in the case of applications for renewal, by the expired or expiring license also.

I .....

(Name in full)

of .....

(Address in full)

Apply for* { a license..... / renewal of license Registered No..... } for a wireless receiving

Station at † .....

(Location of the Station)

.....

Date..... .....*193* . *Signature.*

(To be filled in by the Issuing Officer.)

REGISTERED No. OF LICENSE ISSUED .....

In case of renewal.

Registered No. of Expired License .....

.....

Director of Industries and Commerce.

* Strike out the words not required.

† Here insert the address at which the receiving station will be erected or in the case of a receiving set in a motor car, the registration number of the car, or in the case of a portable set, area over which it is desired to move the set.

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FORM II.

Act for Regulation of Wireless Telegraphy in Mysore.

(Act IV of 1937.)

Application for a license to establish, work and maintain a Wireless Telegraph Station in Mysore State.

(NON-COMMERCIAL FIXED STATION).

1. Name of applicant (In block capitals). Address ... ... Age ... ... Occupation ... ... Nationality (Evidence of nationality and two written references as to character should be enclosed).	
2. Scientific qualifications (if any) of applicant. Particulars of any experience in working Wireless Telegraph Transmitting Apparatus. Speed at which applicant can send and receive in the Morse Code.	
3. Purpose for which a license is required.	
4. Particulars of apparatus to be used. The trade name of the set in the case of a standard set bearing a recognised Trade name (Diagrams to be furnished and attached to this form unless a standard set bearing a recognised trade name is to be employed). (a) Transmitting ... (b) Receiving ... ... (c) Antenna (including sketch and dimensions and means of support).	
5. Power to be used for transmission (A) (a) Source ... ... (b) Point where measured ... (c) Volts .... Amperes. (d) D/C or A/C ... (e) Cycle per second (A/C) ... (f) Maximum watts to be taken by transmitting instruments.	

6. Particulars of stations—

Name

Exact location (a)	Type (b)	Class (b)	Remarks

NOTE:—(If a station is moveable, state place in which it will normally be located and area over which it is desired to move.)

7.	Wavelengths it is desired to use	Transmitting Receiving
8.	Range of waves over which apparatus is capable of being adjusted.	Transmittiug Receiving
9.	Station with which it is desired to communicate.	
10.	What message from Government stations it it desired to read and make use of.	
11.	Hours of working desired ...	Transmitting Receiving
12.	Names, addresses and qualifications of operators with particulars of their certificates of competency.	

DECLARATION.

I undertake to observe the conditions of the license and hereby certify that the apparatus herein described can and will be worked in accordance with the provisions of the license. I further declare that the apparatus is licensed for the transmission of messages, only operators holding approved certificates of competency shall be employed to work the transmitting apparatus.

Place.....

Signature of the Applicant.

Date.....

FORM No. III.

Act for the Regulation of Wireless Telegraphy in Mysore.

Application for a license to possess Wireless Telegraphy in Mysore.

INSTRUCTIONS:—The application form should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, accompanied by a receipt from one of the Mysore Government treasuries for Rs. 10 and in the case of application for renewal, by the expired or expiring license also.

I .....

(Name in full in English Block Capitals).

of .....

(Address in full)

apply for a license to possess Wireless Telegraphy Apparatus in Mysore State valid from the 1st day of..... 193/date of expiry of my license No. ..... dated..... at .....

(Premises at which apparatus is to be kept).

I hereby declare that I $\frac{\text{am}}{\text{am not}}$ a dealer in or manufacturer of Wireless Telegraphy Apparatus.

Dated.....193 *Signature.*

FORM III-A

Act for the Regulation of Wireless Telegraphy in Mysore.

APPLICATION FOR A LICENSE TO ESTABLISH, MAINTAIN AND WORK WIRELESS RECEIVING STATION (COMMERCIAL BROADCAST RECEIVER).

Instructions.—The application form should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, accompanied by a receipt from one of the Mysore Government treasuries for Rs. 25 in case of the first application and Rs. 20 in case of renewals, if the licenses are renewed on or before the date of expiry in the case of application for renewal by the expired or expiring also.

I..... (Name in full in English Block Capitals) of ....(address in full) apply for a license to establish, maintain and work a Wireless Receiving Station at the above premises comprising of apparatus suitable for reception of not more than .... broadcast programmes at one time together with..... loudspeakers.

Dated..... *Signature.*

Place.....

FORM No. III B.

Act for the Regulation of Wireless Telegraphy in Mysore.

APPLICATION FOR A LICENSE TO DEMONSTRATE WIRELESS RECEIVING APPARATUS.

Instructions.—The application form should be forwarded to the Director of Industries and Commerce in Mysore, Bangalore, accompanied by a receipt from one of the Mysore Government treasuries for Rs. 5 and in the case of renewal by the expired or expiring license also.

I.....
(Name in full in English Block Capitals) of.....
(address in full) apply for a license to establish, maintain or work wireless receiving apparatus for demonstration purposes in the Mysore State at the above address or within.....
(area to be specified).

I hereby declare that I am a dealer or manufacturer in Wireless Telegraphy Apparatus.

Date.....

Signature.

Place.....

FORM IV.

Form of Broadcast Receiver License.

(*The Conditions are printed at foot of the Form*).

Registered No.....

Act for Regulation of Wireless Telegraphy in Mysore.
(Act IV of 1937).

(LICENSE TO ESTABLISH A WIRELESS RECEIVING STATION.)

(*Broadcast Receiver.*)

Mr. .....
(Name in full)

of .....
(Address in full)

is hereby authorised (subject in all respects to the conditions set forth below) to erect and work a Wireless Station for the purpose of receiving messages at.....
.....
(Location of the Station)

for a period ending on the last day of the month of.....193.....
The payment of the license fee of Rs. 10 is hereby acknowledged.

.....

Issued on behalf of the
Government of H. H. the
Maharaja of Mysore.

BANGALORE. } *Director of Industries and Commerce.*

Dated.....*193*.

.....

.....

Conditions of Broadcast Receiver License.

1. The Licensee shall not permit the station to be used for any purpose other than that of receiving messages.

2. The station shall not be used in such a manner as to cause interference with the working of other stations. In particular, reaction must not be used to such an extent as to energize any neighbouring aerial.

3. An aerial wherever possible will be located at a fairly reasonable distance from the Power Lights, Telegraph or Telephone Lines. Wherever it crosses over or is liable to fall or to be blown up on any telegraph or telephone line or overhead power wire (including electric lighting and power, and tramway wires) it must be guarded to the reasonable satisfaction of the owner of the power line or lines concerned so as to prevent any damage being done in the event of a break occurring.

4. The licensee shall not divulge or allow to be divulged to any person (other than the duly authorised officer of the Government of His Highness the Maharaja of Mysore or a competent legal tribunal) or make any use whatsoever or any message received by means of the licensed station other than time signals, musical or other programmes and messages transmitted for general reception.

5. The station shall be open to inspection at all reasonable times by any officer duly authorised by the Government of His Highness the Maharaja of Mysore in this behalf. At the request of such authorised officer this license shall be produced for inspection.

6. This license may be cancelled by the officer authorised in this behalf by the Government of His Highness the Maharaja of Mysore at any time either by specific notice in writing sent by registered post to the licensee at the address shown hereon, or by means of a notice, published in the *Mysore Gazette*, addressed to all holders of wireless receiving licenses, and will be cancelled on the breach of any of the foregoing conditions. In the event of cancellation, no part of the fee will be returned.

7. Any change of address must be promptly communicated to the Issuing Authority appointed by Government in this behalf and the license returned in order that the necessary amendments may be made thereon.

8. The location of the station may be altered temporarily at the discretion of the licensee, but if it is intended that the station shall leave the original location, for a period exceeding one month, the

licensee must inform the Issuing Authority appointed by Government in this behalf and return this license for endorsement.

9. If it is desired to continue to maintain the station after the date of expiration, this license must be renewed *within fourteen days.*

10. The licensee shall not assign, underlet or otherwise dispose of this license to any other person or body.

11. The licensee shall at all times indemnify the officer appointed by the Government of His Highness the Maharaja of Mysore in this behalf against all actions, claims and demands which may be brought or made by any corporation, company or person in respect of any injury arising from any act licensed or permitted in this license.

12. Notwithstanding anything contained in clause 4, the licensee or any other person either on behalf or by permission of the licensee or with the cognizance of the licensee shall not reproduce or publish in the press or disseminate by other similar means, messages sent for general reception by any station and received by means of the stations.

FORM V.

License to establish, maintain and work Wireless Telegraphy in the Mysore State.

NON-COMMERCIAL FIXED STATIONS.

Registered No. .....

Act for Regulation of Wireless Telegraphy in Mysore, (Act IV of 1937).

Mr. .....

(Name in full)

.....

(Address in full)

is hereby authorised (subject in all respects to the conditions set forth below and to the specifications found in the appended schedule to establish, maintain and work a Wireless Station at..... for the purpose of transmitting and receiving for research, experiment or instruction, for a period ending on the last day of the month of .....193 .

The payment of the license fee of Rs. 10 is hereby acknowledged.

Register No. of Expired license.....

dated.....day of.....193 .

Issued on behalf of the Government of His Highness the Maharaja of Mysore.

Director of Industries and Commerce in Mysore, Bangalore.

Conditions of the License.

1. The licensee is hereby permitted :—

(a) To establish, maintain and work apparatus for wireless telegraphs (hereinafter called the licensed apparatus) at the place specified in the Schedule.

(b) To transmit and receive such messages by means of the licensed apparatus as are specified in the Schedule provided that,

(i) the licensed apparatus shall not be used for transmitting indecent or obscene communications or false or misleading calls or signals ;

(ii) the transmission and reception of such messages shall be subject to such conditions and regulations as may be prescribed by the Government from time to time ;

(iii) the licensed apparatus shall only be used for the transmission or reception of messages in connection with instruction or experiment in wireless telegraphs or for the reception of the messages sent for general reception ;

(iv) the licensed apparatus shall not be employed for the transmission of news, advertisements or messages sent for general reception or, for any form of broadcast matter or for the transmission of general calls.

(c) No money or other valuable consideration shall be received by the licensee or by any other person with the authority or by permission of the licensee or with the cognizance of the licensee, for, or in respect of, the use of the licensed apparatus, or, for, or in respect of, the transmission or reception of messages, by means of the licensed apparatus.

2. (i) The licensed apparatus shall :—

(a) be of the character specified in the schedule and the waves emitted shall be as pure and as little damped as possible and the licensed apparatus employed for reception shall afford the greatest possible protection from disturbance during the reception of signals and the licensed apparatus employed for reception shall be used in such a manner as to cause no interference with other stations.

(b) be capable of using the wavelengths specified in the schedule and such other wavelengths as shall be authorised by the Government, in writing, from time to time and the licensed apparatus employed for transmission shall invariably be tuned accurately to the authorised wavelengths ;

(c) be so constructed that, when employed to radiate waves, these shall only be propogated by valves or other apparatus generating pure continuous waves ;

(d) be kept in a clean and sanitary condition ;

(e) be so arranged that all lights emanating therefrom shall be screened in such a manner as may be necessary to ensure the reasonable comfort and health of the certified operators and others employed in working the licensed apparatus ;

(f) be worked so as not to interfere with the working of the other fixed stations.

(ii) Nothing contained herein shall be deemed to relieve the licensee of any responsibility for any infringement of patent rights which may be incurred by the use of the licensed apparatus.

3. Except with the consent in writing of the Director of Industries and Commerce (hereinafter called the Director) the licensed apparatus shall not be used for any purpose whatsoever or for the transmission or reception of messages other than the purpose or messages authorised by this license or for communicating with any stations other than those specified in the Schedule.

4. The Licensee shall:—

(*a*) Observe the provisions of the Radio Telegraph Convention and the International Telegraph Convention and the International Telegraph Regulations so far as the said Conventions and Regulations are capable of being applied to wireless telegraphs.

(*b*) Comply with such directions and regulations as may be given or made by the Director from time to time.

(*c*) Provide for the working of the station such certified operators as are required by the Rules in force in British India in working similar stations.

(*d*) Provide against the disturbance of the receiving apparatus of any fixed stations by electro-magnetic waves of any frequency or by conduction currents emitted from the licensed apparatus and against interference with power telegraph, telephone lines or cables in which high potential currents might be induced by means of the licensed apparatus. For the purpose of this provision the term disturbance is defined as the production of appreciable electrical effects in a syntonised receiver other than the receiver of the licensed apparatus adjusted as a whole to a wave length different from that of the transmitter of the licensed apparatus.

(*e*) Keep a record at the station of every transmission showing the date and time (Indian Standard Time) of such transmission and the system and wave length employed.

(*f*) Keep at the station this license or a certified copy of this license and also such documents as are specified in the Schedule.

(*g*) Indemnify the Government against all actions, claims and demands which may be brought or made by any person body corporate or company in respect of any injury arising from any act licensed or permitted by this license.

(*h*) Pay to the Director during the continuance of the license hereby granted a license fee of rupees ten per annum in respect of each station at which the licensed apparatus is installed. The said fee shall be payable before the issue of the license and within fourteen days of the expiry of the license in case a renewal is desired.

(*i*) Ensure that if the station is one in which the licensed apparatus is not permitted to be used with an antenna the station will not radiate waves and that the effects of conducted waves or earth currents of any frequency or nature emitted by the licensed apparatus shall not be appreciable on any power telegraph or telephone system. Provided however that spark systems of transmission may be used in non-commercial stations for experimental or instructional purposes if the other conditions of this sub-clause are observed.

5. The licensee shall provide that, when employed to radiate waves, the call sign of the transmitting station and that of the receiving

station, if any, shall be signalled or spoken in accordance with the following procedure :—

(*a*) When calling up another station the call sign of that station shall be signalled three times followed by the word from or the procedure signal D E and the call sign of the station which shall be signalled three times.

(*b*) When answering a call-up the call sign of the station to be answered shall be signalled three times followed by the word from or the procedure signal D E and the call sign of the station which shall be signalled once.

(*c*) When communication is established the call sign of the receiving station and that of the transmitting station separated by the word from or the procedure signal D E shall be signalled once only at the commencement and conclusion of every transmission.

6. (i) Except with the consent in writing of the Director or as specified herein the licensee shall not :—

(*a*) Divulge or allowed to be divulged to any person other than properly authorised officials of the Government or under orders of a competent legal tribunal or make any use of any message whatsoever received by means of the station other than a message sent for general reception whether such messages are transmitted by service signalling or by any system of wireless telegraphs established and maintained by or for the purposes of the Director or any department of the Government or by any licensee of the Government other than the licensee or otherwise.

(*b*) Permit the use of the licensed apparatus to interfere with service signalling.

(ii) Not withstanding anything contained in sub-clause (i) (a) of this clause the licensee or any other person either on behalf of or by permission of the licensee or with the cognisance of the licensee shall not reproduce or publish in the press or disseminate by other similar means messages sent for general reception by any station and received by means of the station.

7. When employed to radiate waves such certified operators as are required by the rules shall be in constant attendance at the licensed apparatus and a certified operator shall listen in on suitably adjusted receiving apparatus for three minutes at intervals not exceeding 15 minutes in order that he may perceive if the licensed apparatus is causing interference to authorised wireless communication.

8. An aerial crossing above or which is liable to fall on or to be blown on to any power telegraph or telephone line must be guarded to the satisfaction of the owner or the owners of the line concerned so as to prevent any damage being done in the event of a break occurring in the aerial.

9. The Director or any agent authorised in that behalf in writing by him may at all reasonable times enter the station either solely or jointly with any other person or persons for the purpose of inspecting and may inspect, examine or test any apparatus fixed or being in the station and the method of working and uses of such apparatus. At the request of any such authorised officer this license shall be produced by the licensee or the person for the time being in charge of and authorised to work the station.

10. (i) If and whenever an emergency shall have arisen in which it is expedient that the Government shall have control over the transmission of messages by the licensed apparatus it shall be lawful for the Director or any agent authorised in writing in that behalf bv him to cause the station or any part thereof to be taken possession of in the name and on behalf of the Government and to be used for the service of Government and subject thereto for such services as the Director may require and in that event the Director or his authorised agent may enter the station and take possession of and use the same as aforesaid.

(ii) The Director or his Authorised Agent may—

(*a*) instead of taking possession of the station as aforesaid direct and authorise such persons, as he may think fit, to assume the control of the transmission and reception of messages at the station either wholly or partly and in such manner as he may direct and such persons may accordingly enter the station and assume such control;

(*b*) direct that all or any class or classes of messages tendered for transmission or received at the station shall be handed over to an officer authorised by him;

(*c*) stop or delay the transmission, reception or delivery of any messages tendered for transmission or received at the station;

(*d*) require the licensee to obey all such directions with reference to the transmission or reception of messages at the station as the Director or his agent or any other person authorised by the Director may prescribe and the licensee shall obey and conform to all such directions.

(iii) The licensee shall be entitled to reasonable compensation to be fixed by a sole arbitrator nominated by the Government whose decision shall be final for any damage to the licensed apparatus arising in consequence of the exercise of the power conferred by this clause.

(iv) In the event of the licensee refusing to comply with the provisions of sub-clauses (i) and (ii) of this clause the Director may immediately thereupon cancel the license without the licensee being entitled to any compensation and without prejudice to any steps, the Government may think fit to take, to obtain possession of such licensed apparatus or to claim damages.

11. The Director may by notice in writing but without assigning any reason revoke and determine these presents at any time.

SCHEDULE

NON-COMMERCIAL

Fixed Station License Register No.

Dated.....193

1.	Name of Licensee	Mr
2.	Address of Licensee	.....
3.	Purpose for which station is required.	

4. STATION :—(a) Place at which the licensed apparatus may be established if moveable, place at which the licensed apparatus is normally located and area over which it may be moved.

(b) Official name

5. Call sign.

6. The Station is licensed for purpose of a (1) Station, Class ( )

7. ANTENNA—(a) Description

(b) Height Feet

(c) Horizontal length (above) Feet ground

(d) Method of support.

8. Details of licensed apparatus : —

(a) Transmitting

(b) Receiving.

9. Power—

(a) Source

(b) Point where measured

(c) Volts. amperes.

(d) D/C or A/C

(e) Cycles or second A/C.

(f) Maximum kilowatts to be taken by transmitting instruments.

10. WAVE LENGTHS :—

Normal Transmitting wave .....

Additional wave authorised. .....

Range of wave over which apparatus is capable of transmitting. .....

Normal receiving wave .....

Additional wave authorised .....

Range of wave over which apparatus is capable of receiving. .....

11. The station is licensed to transmit to and receive from the following stations only :—

12. Hours during which station may work (Indian standard time)

(a) Transmitting.....hours to.....hours

(b) Receiving.....hours to.....hours

13. Certified operators

Name	Address	Qualification

4. List of documents to be kept at the station :— This license or a certificated copy of the license.

Director.

FORM VI.

Register No. .....

The Act for regulation of Wireless Telegraphy in Mysore.
(Act IV of 1937.)

LICENSE (NON-DEALER)

License (Non-dealer) to possess Wireless Telegraphy Apparatus in Mysore State.

Mr. .....
(Name in full)
of .....
(Address in full)

not being a dealer in, or manufacturer of Wireless Telegraphy Apparatus is hereby licensed (subject in all respects to the provisions of the Act and the rules thereunder) to possess Wireless Telegraphy Apparatus and to keep the apparatus at..... for a period of twelve months ending on the last day of the month of.....193 .

The payment of the license fee of Rs. 10 is hereby acknowledged.
Dated.....day of.....193 .

Director of Industries and Commerce.

ISSUED ON BEHALF OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Note :—This license does not permit the licensed apparatus to be established maintained or worked for which a separate license is necessary under the rule.

FORM VII.

Register No. .....

Act for regulation of Wireless Telegraphy in Mysore
(Act IV of 1937.)

LICENSE (DEALER)

License (dealer) to possess Wireless Telegraphy Apparatus in Mysore State.

Mr. .....
(Name in full)

of ... .
(Address in full)

being a dealer in or manufacturer of Wireless Telegraphy Apparatus is hereby licensed (subject in all respects to the provisions of the Act and Rules thereunder) to possess Wireless Telegraphy Apparatus and to keep the apparatus at.....
for a period of twelve months ending on the last day of the month of .....193 .

The payment of the license fee of Rs. 10 is hereby acknowledged.

Director of Industries and Commerce.

Dated .....day of.....193 .

ISSUED ON BEHALF OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

This license does not permit the licensed apparatus to be established, maintained or worked in the Mysore State for which a separate license is necessary under the rules.

FORM VIII.

License No. *Not transferable.*

Act for the Regulation of Wireless Telegraphy in Mysore.
(Act IV of 1937.)

License to establish, maintain and work a Wireless Receiving Station (Commercial Broadcast Receiver).

Name.....

Description .....

Address.....

is hereby authorised (subject in all respects to the conditions annexed) to establish, maintain and work in the premises known as.....
.....
a Wireless Station comprising such apparatus as may be suitable for the reception of not more than.....
broadcast programmes at one time together with.....
loud speakers or similar devices connected thereto for purpose of

receiving broadcast wireless messages including musical and other programmes transmitted for general reception.

The payment of the license/renewal fee of Rs. ..... is hereby acknowledged.

This license expires on the last day of the month of..... 193... unless renewed (*vide* condition 9).

Issued on behalf of the Government of His Highness the Maharaja of Mysore. Dated.....day.....of 193.....

Director of Industries and Commerce in Mysore.

N.B.—See the following conditions carefully.

Conditions.

1. The licensee shall not permit the station to be used for any purpose other than that specified in the license.

2. The number of programmes received at one time by the station shall not exceed that specified in the license.

3. The station shall not be used in such a manner as to cause intereference with the working of other stations. In particular reaction must not be used to such an extent as to energise any neighbouring aerial.

4. An aerial which crosses over or is liable to fall or to be blown upon any telegraph or telephone line or overhead power wire (including electric lighting) must be guarded to the reasonable satisfaction of the owner of the power line or lines concerned so as to prevent any damage being done in the event of a break accruing.

5. The station shall be open to inspection at all reasonable times by any officer duly authorised by the Director of Industries and Commerce. At the request of such authorised officer this license shall be produced for inspection.

6. This license may be cancelled by the Director of Industries and Commerce at any time either by specific notice in writing sent by registered post to the licensee at the address shown hereon or by means of a notice published in the *Mysore Gazette* address to all holders of Wireless Receiving Licenses. In the event of cancellation no part of the fee will be refunded.

7. Any change of address of the licensee should be notified to the office of issue without delay and any change in the premises where the wireless apparatus or loud speakers are located will require the prior approval of the Director of Industries and Commerce. In making the application for such the license should be forwarded to the office of issue in order that it can be modified accordingly.

8. If it is desired to continue to maintain the station after the date of expiry this license must be renewed within 14 days. Heavy penalties are prescribed in the Act of 1937 to regulate Wireless Telegraphy in Mysore for the offences of establishing, maintaining or working a wireless station without a license and the possession of wireless apparatus without a license.

9. To obtain renewal, this license should be forwarded to the office of issue together with the chellan for having remitted to any of the Government Treasuries in the State. The fee for renewal will be

Rs. 5 less than that of the original license if payment is made on or before the date of expiry. For this purpose the date of money order or the date of remittance to the Treasury will be considered as the date of payment.

10. The licensee shall at all times indemnify the Government of His Highness the Maharaja of Mysore against all actions, claims and demands which may be brought or made by any Corporation, Company or person, in respect of any injury arising from any acts licensed or permitted in this license.

11. The licensee shall not divulge or allow to be divulged to any person (other than a duly authorised officer of the Government of His Highness the Maharaja of Mysore or a competent legal tribunal) or make any use whatever of any message received by means of the station other than time signals, musical or other programmes, and messages, transmitted for general reception.

12. Notwithstanding anything contained in condition 11 of this license, the licensee or any other person either on behalf or by permission of the licensee shall not reproduce, or publish in the press or disseminate by other similar means messages sent for general reception by any station and received by means of the station provided that the licensee may permit any person to listen to broadcast programmes received under the terms of this license.

13. This license does not authorise the licensee to do any acts which are (a) an infringement of any copyright which may exist in the matter received by the station or (b) contrary to any rule made by a competent authority regulating musical or other performance or noises in the area in which the Wireless Station is established.

FORM No. IX.

License No. ..... *Dated*.....

Act for the Regulation of Wireless Telegraphy in Mysore
Act. IV of 1937.

(License to demonstrate Wireless Receiving Apparatus).

Mr/Messrs.....
of.....
who is / are licensed under the Act of 1937 for the regulation of Wireless Telegraphy in Mysore, as a dealer in or manufacturer of wireless telegraphy apparatus is / are hereby licnesed to establish, maintain, and work wireless receiving apparatus for demonstration purposes in Mysore State for a period not exceeding twelve months ending on the last day of the month of.....193 . . at the following address or within the area herein specified.....
subject to the condition herein contained and to the payment of a fee of Rs. 5 (Five).

This license is not transferable and it may not be assigned or underlet, or otherwise disposed of nor may any person be admitted to participate in its benefits except as provided in condition 2 on reverse hereof.

Any breach of the conditions will render this license liable to be revoked and cancelled and in the event of revoking and cancelling no part of any fee paid in respect of the current year will be refunded.

This licnese replaces that numbered.....dated..... and the latter document should be returned to the Director of Industries and Commerce in Mysore, for cancellation.

Issued on behalf of the Government of His Highness the Maharaja of Mysore.

Bangalore..... *Director of Industries and Commerce in Mysore.*

Dated.....

Conditions.

1. This license covers the establishment, maintenance and working of one Wireless Receiving Set at a time for demonstration purpose and must accompany and remain with the apparatus wherever it is being demonstrated. It permits the demonstration of any number of sets provided only one is demonstrated at a time.

2. This license authorises the establishment, maintenanace and working of the licensed apparatus by and at the residence of a prospective purchaser thereof and must remain with the prospective purchaser thereof for the said period as he has possession of the licensed apparatus. In no circumstances may the license be utilised to cover the working of Wireless apparatus by a prospective customer for a period exceeding fifteen days at a time.

3. Notwithstanding anything contained in condition 1 above no further apparatus may be demonstrated by the licensee under this license whilst the license is in possession of a prospective purchaser.

4. The licensee shall not permit the apparatus to be used for the purpose of gain or for any purpose other than for *Bona Fide* demonstration of the reception of broadcast matter.

5. The Wireless apparatus shall not be used in such a manner as to cause interference with the working of other stations. In particular, reaction must not be used to such an extent as to energise any neighbouring aerial.

6. No aerial may be erected which crosses over or is liable to fall or to be blown upon any telegraph or telephone line or overhead power wire including electric lighting unless it be guarded to the reasonable satisfaction of the owner of the powerline or lines concerned so as to prevent any damage being done in the event of a break occurring.

7. The licnesee shall not divulge or allow to be divulged to any person other than a duly authorised officer of the Government of His Highness the Maharaja of Mysore or a competent legal tribunal or make any use whatsoever of any message received by means of the licnesed station other than time signals, musical or other programmes and message transmitted for general reception.

8. Notwithstanding anything contained in condition 7 above the licensee or any other person either on behalf or by permission of the licensee or with the cognizance of the licensee shall not reproducel or publish in the press or reproduce any messages sent for genera,

reception by any station and received by means of the licensee's apparatus.

9. The Licensee shall indemnify the Government of His Highness the Maharaja of Mysore against all actions, claims and demands which may be brought or made by any person, body corporate or company in respect of any injury arising from any acts licnesed or permitted by the license.

10. This license only permits the establishment, maintenanace or working of wireless apparatus in Mysore State and does not permit or authorise such apparatus to be established, maintained or worked outside the State.

11. The licensee must maintain a record of the places at which demonstrations of the licensed apparatus are given and on demand by any officer duly authorised by the Director of Industries and Commerce this record must be produced for inspection and the whereabouts of this license and the licensed apparatus must be furnished.

12. No permission is hereby conveyed to do any act which is (a) an infringement of the copyright which may exist in the Broadcast matter received or (b) contrary to any rule made by a competent authority regulating musical or other performances or noise in the area in which the apparatus is established.

No. L. 2068—*Ml.* 70-38-16, *dated Bangalore, 7th September* 1938.

In exercise of the powers vested in them unde Sections 20 (2) and 106 (2) (a) of the Minor Municipalities Act 1933, the Government of His Highness the Maharaja of Mysore are pleased to issue the accompanying rules for regulating the interpellation of the President by the Municipal Councillors on matters connected with the Municipal Administration.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

RULES.

Subject to the conditions and restrictions contained in the following rules, any Councillor may ask questions on any matters connected with the Municipal Administration.

2. No member shall be allowed to send up more than two questions for any ordinary monthly meeting of the Council. No questions shall be permitted at Special or Adjourned meetings.

3. (i) No question shall be asked unless it complies with the following conditions, namely :—

(*a*) it shall be so framed as to be merely a request for information ;

(*b*) it shall not be of excessive length ;

(*c*) it shall not contain arguments, inferences, ironical expressions, or defamatory statements nor shall it refer to the conduct or character of persons except in their official or public capacity.

(*d*) it shall not ask for an expression of an opinion or the solution of hypothetical proposition ; and

(*e*) if a question contains a statement, the member asking it must make himself responsible for the accuracy of the statements.

(ii) (*a*) When any question is not framed in accordance with the above rule, the President may either himself amend it in such a way as to render it admissible and ask the member if he accepts the amendment or may cause it to be returned to the member concerned for the purpose of amendment ;

(*b*) if the member does not, within such time as the President may fix in this behalf, re-submit the question duly amended or intimate his acceptance of the President's amendment, the question shall be deemed to have been withdrawn.

4. The President may disallow any question giving reasons therefor.

5. No discussion in Council shall be permitted in respect of any order of the President under Rule 3 or under Rule 4.

6. The Councillor wishing to put any question shall send it at least seven clear days before the date fixed for the meeting to the President.

7. The President, may, if he thinks fit, allow a question in any case with shorter notice than seven clear days and may in any case, require a longer notice, if he thinks fit or extend, if necessary, the time for answering a question.

8. All questions which are allowed by the President shall be typed or cyclostyled and copies thereof shall be placed on the Council table at least half an hour before the meeting.

9. The President shall call the name of each interpellator and ask him to read out his question. After the question is read, the President will give the answer.

10. If a Councillor who has given notice of a question is absent at the time when the question is taken up, the President may direct that the question may be considered as withdrawn by the interpellator, unless any other Councillor present at the meeting reads it as his own, subject to the proviso contained in Rule 3 (e).

11. The interpellations shall be taken up before the ordinary business on the agenda commences.

12. Any Councillor may put a supplementary question for the purpose of further elucidating any matter regarding which an answer has been given. But the President shall disallow any supplementary question, if, in his opinion, it cannot be answered satisfactorily on the spur of the moment without referring to records.

13. No discussion shall be permitted in respect of an answer given to a question asked under these rules.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 1482—*Pol.* 47-38-3, *dated Bangalore,*
15*th September* 1938.

The Government of His Highness the Maharaja are pleased to extend the provisions of Section 56 of the Police Act V of 1908, as amended from time to time, to the villages of Madivala and Yeswanthapur, Bangalore Taluk.

No. P. 1555—*Pol.* 47-38-4, *dated Bangalore,*
19*th September* 1938.

The Government of His Highness the Maharaja of Mysore are pleased to extend the provisions of Clauses, (a) (b), (c), (d), (e), (f) (1) (i), (j) (ii), (k), (m), (o), (p), (q), (r),

(s), (t) and (u) of Section 56 of the Police Act, V of 1908, as amended from time to time, to the undermentioned places of Kadur District :—

1.	Aldur	....	Chikmagalur Taluk.
2.	Kalasapur	....	,, ,,
3.	Lingadahalli	....	Tarikere ,,
4.	Lakkavalli	....	,, ,,
5.	Balehonnur	....	Koppa Taluk.
6.	Hariharpur	....	,, ,,
7.	Gonibeed	....	Mudgere Taluk.
8.	Bankal	....	,, ,,
9.	Birur	....	Kadur Taluk.
10.	Sakrepatna	....	,, ,,

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

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Regd. No. M.—1175.

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BANGALORE, THURSDAY, OCTOBER 6, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 919—*R. T.* 10-37-62, *dated Bangalore, 20th September* 1938.

The following draft amendment which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act, 1928, to Rule 21-A of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, is hereby published for the information of persons likely to be affected thereby and any suggestions or objections in respect of the said draft, received on or before the 5th October 1938, will be considered by Government.

DRAFT AMENDMENT.

Delete the word 'mechanical' in line 4 of rule 21-A. issued with Notification No. T. 283—R. T. 38-36-22, dated 20th July 1937, at page 153, Part IV of the *Mysore Gazette*, dated 29th July 1937, and substitute the following words.—

"a hand or mechanically operated".

The rule after the amendment will read as follows :—

21-A Left-hand-drive motors.

"No motor vehicle with a left-hand steering control will be registered unless it is provided on its right or off-side with a hand or mechanically operated signalling apparatus of a pattern approved by the registering authority, which shall, when in operation, indicate to the following traffic the driver's intention of turning to the right or of his intention of stopping the vehicle: provided that in all cases of such motor vehicles as have been already registered but or not provided with such apparatus, a period of six months from the date of the introduction of this rule is permitted for installing such apparatus."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. G. 2440 *P. H.*—73-37-4, *dated Bangalore,*
12*th September* 1938.

Under Section 20 of the Mysore Registration of Births and Deaths Act, III of 1918, Government propose to issue the following rules for the working of the said Act in the rural areas of the Bangalore and Shimoga Districts. Any objection to this proposal, if made in writing and received on or before 15th October 1938, will be duly considered.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

Draft Rules under the Mysore Births and Deaths Registration Act, III of 1918.

Registrar-General of Births and Deaths.

1. In these rules, the Registrar-General of Births and Deaths means the Director of Public Health to the Government of Mysore for this time being.

2. In cases of the discovery of dead bodies, whether of newly born children or otherwise, it shall be the duty of the Police Station Officer within whose jurisdiction any such body is found, to report to the Registrar such particulars as are available for the purpose of the entries to be made in the register of deaths, as well as, in the case of the bodies of newly born children, in the register of births.

Particulars regarding dead bodies found exposed to be reported by the Police.

3. In case the Registrar is unable, for more than a week to attend to his duties on account of illness or other urgent cause, he shall report the fact to the Amildar (Deputy Amildar) who shall at once make temporary arrangements for the performance of the duties of the Registrar, and any person thus temporarily appointed shall be held to be the Registrar for the purpose of the Act and of these rules. The Amildar (Deputy Amildar) shall report the arrangements made to the Deputy Commissioner and to the Registrar-General of Births and Deaths.

Temporary arrangements during illness or absence of the Registrar.

4. The Register of Births shall be maintained in Form No. V. S. 1 (*a*) and the Register of Deaths in Form No. V. S. 2 (*a*) appended in original and duplicate.

Forms of Birth and Death Registers to be maintained in original and duplicate.

5. In each of these registers, the occurrences registered should be numbered serially, the series of numbers running from 1st January to 31st December for each year. No entry should be interpolated between two serial numbers.

Entries to be numbered serially for each year.

6. All information received by the Registrar in writing in connection with the registration of any birth or death shall be filed by him and preserved for two years.

Written information received by the Registrar to be preserved for two years.

7. A special column in the register of births is provided for the entry of still-births, which are not included in the statistics either of births or of deaths.

Entries in respect of children born dead.

8. In the case of a child which is born alive, but dies before its birth has been registered, the Registrar shall enter the birth in the Register of Births and the death in the Register of Deaths.

Entries in respect of children born alive which die before the birth is registered.

Registers to be renewed once in two years. Registers to be sent by the Superintendent, Government Printing direct to Amildars for distribution to Registrars.

9. Each register shall consist of 48 sheets—24 original and 24 duplicate—and shall be used continuously for a period of two years. The Superintendent, Government Printing, will print these registers on thick paper and with thick covers and issue them direct to the Amildars (Deputy Amildars) for distribution to the Registrars concerned, so as to reach them at least by the end of November of each alternate year.

Duplicates to be sent monthly to the Amildars on or before the 5th of each month.

10. The duplicate pages which have been written up during every month shall be detached at the perforation and sent by the Registrar to the Amildar (Deputy Amildar) so as to reach him on or before the 5th day of the month following the entry.

If during any month, no births or deaths have occurred, the duplicate form should be sent with the remark " Nil " written thereon.

The Amildar to collect returns from all the villages in his jurisdiction and forward them to the Registrar-General so as to reach him on or before the 8th of each month. Late returns to be forwarded on or before the 18th of the month.

On receipt of these returns, the Amildar (Deputy Amildar), after scrutinizing them carefully, should have them arranged in the order of villages as given in the Census Report and forward them in a bundle to the Registrar-General so as to reach him on or before the 8th of each month. When, however, some returns are not received on the due dates, reminders should immediately be sent to the defaulting Registrars and after obtaining these returns, all such late returns should be forwarded in a second batch so as to reach the Registrar-General on or before the 18th of the month.

Check by Amildar of regular receipt of returns.

11. A set of posting registers showing the Hobli and Village numbers will be maintained in the office of the Amildar (Deputy Amildar) in which the returns received will be posted as they come in. When these registers show that returns have not been received from any village by the 8th of the month, a reminder will be sent to the Registrar concerned.

The Amildar (Deputy Amildar) will initiate disciplinary action against Registrars who are frequently in default.

Process of sorting and abstracting in the Central Statistical Office.

12. The returns received in the Central Statistical Office will be abstracted and posted into registers for purposes of compilation.

Filing of returns permanently.

13. As soon as the required information has been abstracted and posted, the returns for each month will be

filed in racks. At the close of each year, the returns will be transferred to record. These returns will be retained as permanent records.

14. The statistics so abstracted will be published for the information of the authorities concerned and of the public, with a review of the same, monthly and quarterly.

Reviews to be published monthly and quarterly.

15. Each register of originals shall be retained in the custody of the Registrar for two years after it is closed and shall then be sent to the Amildar (Deputy Amildar) who, after careful scrutiny of all unattested erasures and alterations, shall file it as a permanent record.

The original registers to be finally deposited in the Office of Amildar.

16. It shall be the duty of the Registrar to produce his register of births before the midwife and the vaccinator whenever they visit the village, and of the midwife and the vaccinator, respectively, to enter their initials, with such remarks as may be called for, against the cases in which they have attended at the birth of a child, or vaccinated it, as the case may be.

Entries to be made in the birth registers by midwives and vaccinators.

17. It shall be the duty of the Registrar to produce his registers of births and deaths with all connected registers and records, before any inspecting officer of any department who visits the village. It shall be the duty of every such inspecting officer, providing time permits, to see that the books are kept up to date and to check the correctness of the entries by enquiring into the facts of one or two selected cases and to enter his initials with date against all entries tested by him.

Inspection of registers.

18. The Revenue Inspector and the Amildar (Deputy Amildar) shall constantly inspect the registers of births and deaths, enquire in the villages what births and deaths have recently taken place, compare the registers to see if all are entered, supply omissions, instruct the Registrars as to the discharge of their duties, and exercise a general supervision over the work of the Registrars. The registers shall be checked at least once in two months by the Revenue Inspector, and the entries verified should bear the initials of the checking officer with date of check.

The Revenue Inspector and the Amildar to exercise supervision over Registrars.

19. Every error found in the register of births or in the regirter of deaths shall be corrected by drawing a line through the original entry (but not so as to render it illegible) and writing the new entry above it, and the

Errors.

correction shall be fully signed and dated by the Registrar, if the error be discovered by him, and by both the Registrar and the checking officer, if the error be discovered by a checking officer. All such corrections shall be duly intimated to the Registrar-General through the Amildar (Deputy Amildar) with the reasons therefor. The corrections, when approved by the Registrar-General, will be made in the duplicate returns filed in the Central Statistical Office, and due intimation will be given to the Amildars for intimating the Registrars concerned.

Provided that no entry shall be corrected under this rule more than a year after the entry has been made except with the previous sanction of the Assistant Commissioner in charge of the Sub-Division.

When Registrar to give extract free of charge.

20. Section 14 of the Act provides that "the "Registrar shall, as soon as the registration of the birth "of a child has been completed, give, on application, free "of all charge, to the person who gives information of the "birth, an extract under his hand from the register relating to such birth." For purposes of this, rule, the register will be the register of originals kept by the Registrar.

Search of Birth and Death Registers.

21. Section 17 of the Act provides "that any person "may at all reasonable times, on payment of a fee of four "annas for each visit, search any register of births and deaths." For purposes of this rule, the register of births and deaths will be the returns sent monthly by the Registrar through the Amildar (Deputy Amildar) to the Registrar-General and filed in the Central Statistical Office, or in the case of occurrences prior to the coming into force of these rules, the registers filed in the office of the Amildar (Deputy Amildar).

Issue of Birth and Death Certificates in cases registered under the new system.

22. Section 17 of the Act further provides that, on payment of the required fees, extracts shall be given from the registers of births and deaths and that all extracts given under this section shall be certified as provided in Section 76 of the "Indian Evidence Act of 1872 and may "be produced in proof of the entries of which they purport "to be copies."

Any person requiring a certificate under this section may put in an application, affixing a one-anna court-fee stamp, and enclose an eight-anna court-fee stamp to be affixed to the certificate.

The application should state clearly—

(i) The name and father's name of the party in relation to whose birth or death the certificate is required.

(ii) The date, month and year of the occurrence.

(iii) The name of the hobli and the village where the event occurred, and

(iv) The postal address of the applicant for copy.

The application may be addressed either to the Registrar-General or to the Amildar (Deputy Amildar), who will forward it to the Registrar-General. On receipt of such an application, the Registrar-General will cause the duplicate return relating to the occurrence to be traced and a true copy of the same to be issued over his signature and sent to the Amildar (Deputy Amildar) to be given to the party concerned. Such extracts shall be certified as provided in Section 76 of the Indian Evidence Act, 1872, and may be produced in proof of the entries of which they purport to be copies.

—In cases registered under the old system.

The above rule will be applicable only to occurrences taking place after these rules have come into force. In regard to occurrences prior to that date, the old rule will continue as follows :—

"The Registrar shall give a certified extract from "the registers kept by him under Section 17 of the Act. "If he is not in possession of the registers, the Amildar or "the Deputy Amildar, as the case may be, in whose custody "such registers are kept, shall give and certify extracts "therefrom under Section 17 of the Act."

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MONTHLY
ಮಾಹೇವಾರಿ

Registrar-General of Births and Deaths. Original
ಒರಿಜಿನರ್

Month

Year

Village } ..... Hobli } .....
ಗ್ರಾಮ } ..... ಹೋಬಳಿ } .....

Annual No. ವರ್ಷದ ನಂಬರು	Date of Registration ದಾಖಲಿಸಿದ ತಾರೀಖು	Date of Birth of Child ಮಗು ಹುಟ್ಟಿದ ತಾರೀಖು	Birth ಜನನ		Sex ಗಂಡೋ, ಹೆಣ್ಣೋ	Name of Child ಮಗುವಿನ ಹೆಸರು	Name of Father ತಂದೆಯ ಹೆಸರು
			Born alive ಜೀವಸಹಿತ ಹುಟ್ಟಿದ	Born dead ಸತ್ತು ಹುಟ್ಟಿದ			
1							
2							
3							
4							
5							
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7							
8							
9							
10							
11							
12							

NOTE.—Please read instructions given below in filling up the columns in the Monthly Birth
ಈ ಕೆಳಗೆ ನಮೂದಿಸಿರುವ ಅಂಶಗಳನ್ನು ಗಮನಿಸಿ ಆ ಬಳಿಕ ಬರಿಯಬೇಕು.—

Plural Births.—Particulars of plural births should be entered separately for each child
ಅವಳಿ ಜವಳಿ ಮಕ್ಕಳಾದರೆ ವಿವರಗಳನ್ನು ಪ್ರತಿಯೊಂದು ಮಗುವಿಗೂ ಬೇರೆಬೇರೆಯಾಗಿ ಬರೆ.

Occupation of Mother.—Farmer, Trader, Labourer, Housewife, Official, Student, Beggar,
ತಾಯಿಯ ಉದ್ಯೋಗ.—ಕೃಷಿ, ವ್ಯಾಪಾರ, ಕೂಲಿ, ಮನೆ ಕೆಲಸ, ಸರ್ಕಾರಿ ಉದ್ಯೋಗ, ವಿದ್ಯಾರ್ಥಿ,

Community of Mother.—Lingayet, Vokkaliga, Vaisya, Kshatriya, Brahmin, Adikarnataka,
ತಾಯಿಯ ಜಾತಿ.—ಲಿಂಗಾಯಿತರು, ಒಕ್ಕಲಿಗರು, ವೈಶ್ಯರು, ಕ್ಷತ್ರಿಯರು, ಬ್ರಾಹ್ಮಣರು, ಆದಿಕರ್ಣಾಟ

Even if a child dies within an hour after birth, it should be reported as a birth in this Monthly
ಮಗುವು ಹುಟ್ಟಿದ ಒಂದು ಘಂಟೆಯೊಳಗಾಗಿ ಸತ್ತರೂ, ಹುಟ್ಟಿದ ವಿಚಾರವನ್ನು ಈ ರಿಜಿಸ್ಟರಿನಲ್ಲಿಯೂ,

Signature of Patel } .....
ಪಟೇಲರ ರುಜು }

Name of Village } .....
ಗ್ರಾಮದ ಹೆಸರು }

BIRTH REPORT.
ಜನನದ ರಿಪೋರ್ಟು.

Central Statistical Office.

For the Month of.....193
193 ನೇ..... .....ತಿಂಗಳಿಗೆ.

Taluk ತಾಲ್ಲೂಕು } ..... District ಡಿಸ್ಟ್ರಿಕ್ಟು } ..... V. S. No. 1(a)

Particulars of Mother ತಾಯಿಯ ವಿಚಾರವಾಗಿ							
Name ತಾಯಿಯ ಹೆಸರು	Age ತಾಯಿಯ ವಯಸ್ಸು	Occupation ತಾಯಿಯ ಉದ್ಯೋಗ	Permanent Residence ತಾಯಿಯ ಖಾಯಂ ವಾಸ	Community ತಾಯಿಯ ಜಾತಿ	Order of Birth ಎಷ್ಟನೇ ಹೆರಿಗೆ	No. of Living Children including this Child ಇದೂ ಸೇರಿ ಬದುಕಿರುವ ಮಕ್ಕಳ ಸಂಖ್ಯೆ	Initials of Checking Officer with remarks ತನಿಖೆ ಮಾಡಿದವರ ಸಹಿ ಮತ್ತು ಷರಾ

Report.—

with a bracket ( ) ಬ್ರಾಕೆಟ್ಟನ್ನು ( ) ಹಾಕಬೇಕು.

etc.
ಭಿಕ್ಷ, ಈ ರೀತಿಯಾಗಿ.

Musalman, Jain, Christian, European, etc.
ಕರು, ಮುಸಲ್ಮಾನರು, ಜೈನರು, ಕ್ರೈಸ್ತರು, ಯೂರೋಪಿಯನರು ಈ ರೀತಿಯಾಗಿ

Birth Report and as a death in the Monthly Death Report.
ಸತ್ತವಿಚಾರವನ್ನು ಮರಣದ ರಿಜಿಸ್ಟರಿನಲ್ಲಿಯೂ ದಾಖಲಾಗಬೇಕು.

Date on which this Monthly Birth Report was sent to Taluk Office.
ಈ ರಿಪೋರ್ಟನ್ನು ತಾಲ್ಲೂಕು ಆಫೀಸಿಗೆ ಕಳುಹಿಸಿದ ತಾರೀಖು. } .....

To—The Registrar-General of Births and Deaths through the Amildar of the Taluk.

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MONTHLY
ಮಾಹೇವಾರಿ

Registrar-General of Births and Deaths. Original
ಒರಿಜಿನರ್

Month

Year

Village ಗ್ರಾಮ } ..... Hobli ಹೋಬಳಿ } .....

Annual No. ವರ್ಷದ ನಂಬರು	Date of Registration ದಾಖಲಾದ ತಾರೀಖು	Date of Death ಮೃತಪಟ್ಟ ತಾರೀಖು	Name of the deceased ಮೃತಪಟ್ಟವರ ಹೆಸರು	Name of Father and Mother ತಂದೆಯ ಮತ್ತು ತಾಯಿಯ ಹೆಸರು	Particulars of the Deceased ಮೃತಪಟ್ಟವರ ವಿಚಾರವಾಗಿ					
					Permanent Residence ಖಾಯಂ ವಾಸನೆಲೆ	Occupation ಉದ್ಯೋಗ	Community ಜಾತಿ	Age ವಯಸ್ಸು	Sex ಗಂಡೋ, ಹೆಣ್ಣೋ	Conjugal Condition ಮದುವೆ ವಿಚಾರ
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

NOTE.—Please read instructions given below in filling up the columns in the Monthly Death
ಈ ಕೆಳಗೆ ನಮೂದಿಸಿರುವ ಅಂಶಗಳನ್ನು ಗಮನಿಸಿ ಆ ಬಳಿಕ ಬರಿಯಬೇಕು.—

Occupation—Farmer, Landholder, Trader, Skilled-worker, Labourer, Cartman, House
ಉದ್ಯೋಗ—ಕೃಷಿ, ಜಮೀನು, ವ್ಯಾಪಾರ, ಕೈಗಾರಿಕೆ ಕೆಲಸ, ಕೂಲಿ, ಗಾಡಿ ಹೊಡೆಯುವುದು, ಮನೆ

Community—Lingayet, Vokkaliga, Vaisya, Kshatriya, Brahmin, Adikarnataka;
ಜಾತಿ—ಲಿಂಗಾಯಿತರು, ಒಕ್ಕಲಿಗರು, ವೈಶ್ಯರು, ಕ್ಷತ್ರಿಯರು, ಬ್ರಾಹ್ಮಣರು, ಆದಿಕರ್ಣಾಟಕರು,

Age—In the case of a child under one year, give the age in months (*e. g.* nine months,
ವಯಸ್ಸು—ಒಂದು ವರುಷಕ್ಕಿಂತ ಕಡಮೆಯಾದರೆ ಎಷ್ಟು ತಿಂಗಳು ಎಂಬುದನ್ನು ಬರೆಯಬೇಕು (ಮಾದರಿ

Conjugal Condition—Single, Married, Widowed, Divorced.
ಮದುವೆ ವಿಚಾರ—ಮದುವೆ ಆಗಿಲ್ಲ, ಮದುವೆ ಆಗಿದೆ, ಗಂಡ ಅಥವ ಹೆಂಡತಿ ಸತ್ತವರು ಗಂಡ ಅಥವ

Child-birth (Maternal Death)—Means the death of the mother occurring during or within
ಹೆರಿಗೆ—ಹೆರಿಗೆಯಲ್ಲಿ ಅಥವ ಹೆರಿಗೆಯಾಗಿ 14 ದಿನಗಳಲ್ಲಿ ತಾಯಿ ಮೃತವಾದರೆ ಹೆರಿಗೆಯಿಂದ ಸತ್ತದ್ದು.

Even if a child dies within an hour after birth, it should be reported as a death in this
ಮಗು ಹುಟ್ಟಿದ ಒಂದು ಗಂಟೆಯೊಳಗಾಗಿ ಸತ್ತರೂ, ಸತ್ತ ವಿಚಾರವನ್ನು ಈ ರಿಜಿಸ್ಟರಿನಲ್ಲಿಯೂ, ಹುಟ್ಟಿದ

Signature of Patel ಪಟೇಲರ ರುಜು } .....

Name of Village ಗ್ರಾಮದ ಹೆಸರು } .....

DEATH REPORT.
ಮರಣದ ರಿಪೋರ್ಟು.

Central Statistical Office.
V. S. No. 2 (a)

Taluk / ತಾಲ್ಲೂಕು } ..... District / ಡಿಸ್ಟ್ರಿಕ್ಟು .....

| Causes of Death / ಯಾವ ಕಾರಣದಿಂದ ಸತ್ತದ್ದು | | |

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Regd. No. M.—1175.

The Mysore Gazette

Vol. 73.] PUBLISHED BY AUTHORITY. [No. 40.

BANGALORE, THURSDAY, OCTOBER 13, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. G. 3267—P. H. 73-37-5, dated Bangalore, 12th October 1938.

The period up to 15th October 1938 fixed for the receipt of objections, if any, in regard to the draft rules under the Mysore Births and Deaths Registration Act, III of 1918, issued with Government Notification No. G. 2440—P. H. 73-37-4, dated 12th September 1938 and published in Part IV of the *Mysore Gazette*, dated 6th October 1938 is hereby extended up to 15th November 1938.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

Printed by the Superintendent at the Government Press, Bangalore.

Regd. No. M.—1175.

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The Mysore Gazette

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BANGALORE, THURSDAY, OCTOBER 13, 1938.

PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATION.

No. D. 3187—*I. & C.* 203-35-28, *dated Bangalore, 8th October* 1938.

The following rules framed under the Mysore Factories Act I of 1936 are hereby published, the draft rules in this behalf having been published at pages 254—307 of the *Mysore Gazette*, dated 4th June 1936 and at pages 466—474 of the Gazette, dated 3rd December 1936. These rules will come into force from the date of this notification.

By Order,

M. VENKATANARANAPPA,

Secretary to Government,
Development Department.

RULES UNDER THE MYSORE FACTORIES ACT, 1936.

RULES.

DEFINITIONS.

1. These rules and orders may be cited as the Mysore Factories (Amended) Rules, 1936. They shall supersede the Mysore Factories Rules, 1928, issued with Notification No. D. 12200—I. & C. 67-26-17, dated the 12th May 1928. Short title.

2. In these rules and orders unless there is anything repugnent in the subject or context— Definitions.

(1) "The Act" means the Mysore Factories Act of 1936.

(2) "Appendix" means an appendix appended to these rules.

(3) "Artificial humidification" means humidification of the air of a room by any artificial means whatsoever except the use of gas or oil for lighting purposes, or the unavoidable escape of steam or water vapour into the atmosphere directly due to the treatment of fibre or fabric by water or steam in its passage through a machine:

Provided that the introduction of air directly from outside through moistened mats or screens placed in ventilation openings at times when the temperature of the room is 80 degrees or more, shall not be deemed to be artificial humidification.

(4) "Authorised Medical Practitioner" means a registered medical practitioner authorised under sub-section (2) of section 12 to exercise any of the powers of a certifying surgeon.

(5) "Degrees (of temperature)" means degrees of the Fahrenheit scale.

(6) "Form" means a form appended to these rules.

(7) "Hygrometer" means an accurate wet and dry bulb hygrometer conforming to the prescribed conditions as regards construction and maintenance.

(8) "Kata Thermometer" means an accurate instrument capable of measuring the cooling properties of the air in millicalories per square centimetre per second of the atmosphere by radiation, convection and evaporation, manufactured by James J. Hicks or such other firm manufacturing accurate instruments of this type to the satisfaction of the Chief Inspector.

(9) "Manager" means a Manager of a factory.

(10) "Rules" means rules made under the Act.

(11) "Section" means a section of the Act.

(12) A "belthanger" is a perch or guard fixed near the side and edge of a pulley on which the belt can rest when removed from its pulley.

(13) "Transmission machinery" includes every shaft, wheel, drum or pulley (including any system of fast and loose pulleys), coupling, clutch, strap, band, belt, chain, rope or other device incidental to the transmission of motion between any primemover and any machine or appliance, or by means of which, the machine or appliance receives its motion.

(14) Words and expressions not defined in these rules but defined or used in the Act shall be deemed to have the same meanings as in the Act.

(*Section 9.*)

Form of notice to Inspector before commencement of work.

3. The written notice prescribed under sub-section (1) of section 9 shall be in Form A.

FORM A.

Notice of Occupation.

Written notice prescribed under section 9 (1), Rule 3 of the Act.

(1) Name of occupier.

(2) Name of factory.

(3) Full postal address of factory.

(4) Nature and amount of power to be used.

(5) Nature of the manufacturing process to be carried on.

(6) Name of the Manager for the purposes of Factory Act.

Place. (Full signature of occupier.)

Date. (Full signature of Manager.)

NOTE 1.—In the case of seasonal factories, this notice must be forwarded to the Inspector on or before the date of starting work for each season.

2.—If the occupier or Manager of a factory wishes his factory removed from the operation of the Act he must make application to the Inspector stating his reasons in accordance with Rule 94.

INSPECTION.

(*Sections 10 and 32.*)

Duties of Inspector.

4. The Inspector shall inspect every factory other than a seasonal factory within the local limits assigned to him under sub-section (1) of section 10 at least twice yearly and every seasonal factory within such local limits at least once during each season of work. He shall make such further inspections as may appear to be necessary to him or to the Chief Inspector of Factories in order that he may satisfy himself that the provisions of the Act and of these rules are duly observed.

Maintenance of Inspection Book.

5. The Manager shall maintain a bound inspection book and shall produce it when so required by the Inspector or Certifying Surgeon. A list in Form B of the exemptions granted to the factory shall be posted in it.

FORM B.

Sections 10 *and* 32 *and Rule* 5.)

Name of the factory.....

Section or rule from which exemption is given	Subject dealt with	Extent of and conditions of exemptions (compensatory rest periods, if any, should be mentioned)	Date and number of order

Duties of Inspector at inspections.

6. (*a*) In addition to and without prejudice to any other powers or duties which the Inspector may exercise under the Act or rules, he shall at each inspection of a factory satisfy himself—

(i) that the provisions made in the Act and rules to secure the health and safety of the workers are observed;

(ii) that the adolescents and childern employed in the factory have been duly certified and that none are employed, who are obviously unfit;

(iii) that the register of all the persons employed in such factory is kept in Form D as the case may be;

(iv) that the rest periods and the holidays provided by the Regulation are granted and that the limits of hours of work laid down are not exceeded;

(v) that the provisions relating to the payment of overtime are duly observed in the case of persons exempted from the provisions of Sections 34 or 36;

(vi) that the abstracts and notice in Form C required by Sections 39 and 55 are duly affixed and that the registers required by these rules are properly maintained.

FORM C.

Notice of periods of work for adult/child workers in..... (Name and address of factory) under Sections 39 and 55, Rules 6 and 74.

—	* Group Number					
	*Relay number			*Relay number		
	Starting time	Stopping time	Intervals for rest	Starting time	Stopping time	Intervals for rest
Sunday						
Monday ...						
Tuesday...						
Wednesday						
Thursday.						
Friday ...						
Saturday...						

* Where workers are employed on a system of groups or on relays in a shift system, the particulars as to starting and stopping time with rest intervals for each period of work of each such group or relay, as the case may be, shall be shown.

2. Registers for adults, adolescents and children are to be maintained separately.

FORM D.

Register of Adult/Adolescent/Child workers for the month of/period of..... ..... prescribed under Sections 41 and 56, Rules 6 and 101.

(Name and address of the factory)

Serial No.	Name and father's name	Nature of work	Group No.	Relay No.	No. and date of certificate	Token No. giving reference to the certificate	Remarks

NOTE :—Where workers are employed on a system of groups or on relays in a shift system, reference to the particular group or the relay, as the case may be, to which the worker is allotted shall be given in the columns provided.

(*b*) the Inspector shall further inquire into the causes of all accidents which have taken place since the last inspection;

(*c*) the Inspector shall also note how far the defects pointed out at previous inspections have been removed and how far orders previously issued have been complied with. Any defects which have come to light at the current inspection, as well as any orders passed by him under the Regulation, shall then be recorded in the inspection book. An extract from such record containing the orders of the Inspector, with such remarks on the defects found to exist as he may wish to bring to the notice of the Manager shall be sent to the Manager, and a copy of the said extract shall be sent to the District Magistrate.

The Inspector shall fill up his inspection report and the observations made by him shall be communicated to the respective managers or owners in the forms appended to these rules.

7. When in any area an inspection is made by the District Magistrate or an Additional Inspector, he shall follow, as far as practicable, the procedure prescribed for an Inspector in rule 6 and shall send a copy of his orders and remarks to the Inspector.

Procedure for inspection by District Magistrate or Additional Inspector.

8. The Inspector shall keep a file of the records arranged in the monthly bundles and shall submit to the Chief Inspector of Factories on the 15th day of each month, a diary in Form E, showing the work done in the preceding month. A copy of the said diary shall be retained by the Inspector.

Submission of diary by Inspector.

FORM E.

(*Rule 8.*)

Diary of Factory Inspector for the month of.....

Date	Place	Factories inspected	Factories inspected for definite purposes	Remarks of defects found and directions and orders issued

9. In the case of factories in places situated with a municipal area if it appears that there has been any disregard of the provisions of any municipal or other local law relating to the sanitary arrangements, removal of objectionable rubbish, the cleaning and fencing water tanks or like matters, the Inspector shall, without prejudice to any action which he is empowered to take under the

Duty of Inspector to bring to the notice of local authorities breaches of sanitary provisions.

Regulation and rules, draw the attention of the municipal or other local authority to the breach of the sanitary law in question.

DUTIES OF A CERTIFYING SURGEON AND OF PERSONS AUTHORISED TO EXERCISE HIS FUNCTIONS.

(Section 59.)

Duties of Certifying Surgeons and authorised Medical Practitioners.

10. (1) The duties of a Certifying Surgeon and of an authorised medical practitioner shall include the examination of children and adolescents desirous of being employed, and the re-examination of those in respect of whom a notice under Section 58 has been served upon the manager, and who desire to be re-employed. Certificates of age and fitness shall be given to such children and adolescents as are found qualified to receive them. No fee shall be charged for such examination or for the grant of a certificate in pursuance thereof.

(2) The Certifying Surgeon or authorised medical practitioner shall fix suitable places and times for the attendance of persons wishing to obtain certificates of age and physical fitness. Notice of the place and the times thus fixed shall be given to the managers.

Certificates by Certifying Surgeon.

11. (1) Every Certifying Surgeon shall keep a bound book containing certificates in Form F in foil and counter-foil. The forms shall be numbered consecutively and shall be printed on cloth-backed paper.

FORM F.

(Sections 52 and 59, Rule 11.)

1. Serial No.
2. Date.
3. Name } with residence.
4. Father's name }
5. Sex and caste or religion.
   Age certified.
7. Physical fitness as { child / adolescent / adult.
8. Distinctive marks.
   Reason for—(1) refusal or (2) certificate being revoked.

Thumb impression.

Initials of Certifying Surgeon.

NOTE.—Exact details of cause of physical disability should be clearly stated.
(2) The residence of the person should be noted.

CERTIFICATE.

Sl. No. Date.

I hereby certify that I have personally examined (name) son/daughter of (caste, etc.) residing at.....who is desirous of being employed in a factory, and that his/her age, as nearly as can be ascertained from my examination, is.....years, and that he/she is fit for employment as a child/adolescent/adult in a factory. His/Her descriptive marks are.....

Thumb impression

Certifying Surgeon with address,

(2) Every certificate granted under section 52 to a person desirous of being employed in a factory shall be prepared by filling up the foil and counterfoil, on which shall also be impressed the left thumb mark of the person in whose name the certificate is granted.

(3) The Certifying Surgeon shall, when satisfied as to the correctness of the entries made therein, sign the foil and initial the counterfoil, and shall deliver the foil to the person in whose name the certificate is granted. The foil so delivered shall be the certificate granted under section 52.

(4) If the Certifying Surgeon refuses to grant to any person a certificate under this rule, no fresh application for a certificate shall be made on behalf of such person until a period of three months has elapsed, unless the Certifying Surgeon otherwise gives permission in writing at the time of refusing to grant the certificate.

(5) A Certifying Surgeon revoking a certificate under sub-section (3) of section 52 shall cause the word "revoked" to be stamped in red ink on the foil and counterfoil.

Certificate by authorised Medical Practitioners.

12. Every authorised medical practitioner shall grant certificates in the manner prescribed in rule 11, and the word "Provisional" shall be printed or stamped in red ink at the top of each foil and counterfoil of such certificate.

Duplicate certificates.

13. (1) When a person, to whom a certificate under section 52 has been granted, loses such certificate, he may apply to the Certifying Surgeon, who after making such enquiry as he deems fit from such person's employer or if unemployed from such person's last employer and from other sources, may grant a duplicate thereof. The word "Duplicate" shall be clearly written in red ink across such certificate and initialled by the Certifying Surgeon.

The counterfoil and the bound book of forms shall be similarly marked "Duplicate" and initialled.

(2) For every copy of a certificate granted under sub-rule (1), a fee of eight annas shall be charged, which shall be credited to Government. The Certifying Surgeon shall maintain a register in Form G. of all fees paid for the issue of copies of certificates, and shall initial each entry made therein.

FORM G.

(*Section 52 Rule 13*).

Register of fee paid for the issue of duplicate certificates under section 52, sub-section (1), Rule 13 (2).

Date	Sl. No.	No. of previous certificate	Name of person to whom granted	Initial of Certifying Surgeon

Paid into Treasury Rs. only.

Place,

Date.

Signature of Certifying Surgeon.

(3) No duplicate of a certificate granted under section 52 shall be granted to any person otherwise than in accordance with the provisions of this rule.

Certifying Surgeon to visit factories.

14. (1) The Certifying Surgeon shall ordinarily visit every factory situate within his local limits in which children or adolescents are known to be employed at least once in three months and shall give previous notice of his visits. When a Certifying Surgeon visits a factory, the manager shall produce before him at such time as the Certifying Surgeon may fix all children and adolescents employed in the factory, whether actually at work or not, who are not in possession of certificates granted by him under section 52.

(2) The Certifying Surgeon shall personally examine every child or adolescent who is in possession of a provisional certificate granted under rule 12, and shall, if satisfied that a certificate should be granted, destroy the provisional certificate and issue his own certificate in lieu thereof.

(3) If on such examination, the Certifying Surgeon is of opinion that the person in possession of a "Provisional" certificate, granted under Rule 12, is under the age of 12 years or is not fit for employment in a factory, he shall impound the certificate, write on it the word "Cancelled" and sign the same, and shall forward the

certificate with such remarks, if any, as he may offer to the Inspector for information, and inform the authorised medical practitioner who issued it.

15. The Certifying Surgeon, at his periodical visits, shall satisfy himself as to the fitness of the children and adolescents employed in a factory and shall revoke the certificate of any whom he deems no longer fit to work in the capacity stated therein. Revocation of certificates.

16. The Certifying Surgeon shall enter in the inspection book a note detailing the results of each visit to the factory. A copy of this note shall be forwarded to the Inspector and to the authority to whom the Certifying Surgeon is subordinate for the purposes of this Regulation. Results of visits of Certifying Surgeon to be noted.

Manner of Service of Notice.

(Sections 32, 47 and 59).

17. The despatch through the post under registered cover of any notice, order or extract of an Inspector's report sent under the Regulation or under these Rules, shall be deemed sufficient service on the occupier or manager of the factory of such notice or order or of any directions contained in such extract.

Artificial Humidification and Cooling.

(Sections 15 and 32).

18. There shall be no artificial humidification in any room of a cotton spinning or weaving factory. When artificial humidification not allowed.

(*a*) by the use of steam during any period when the dry bulb temperature of that room exceeds 85 degrees.

(*b*) at any time when the wet bulb reading of the hygrometer is higher than that specified in the following schedule in relation to the dry bulb reading of the hygrometer at that time; or, as regards a dry bulb reading intermediate between any two dry bulb readings indicated consecutively in the schedule when the dry bulb reading

does not exceed the wet bulb reading to the extent indicated in relation to the lower of those two dry bulb readings :—

SCHEDULE.

Bulb.

Dry bulb	Wet	Dry	Wet	Dry	Wet
60·0	58·0	77·0	75·0	94·0	86·5
61·0	59·0	78·0	76·0	95·0	87·0
62·0	60·0	79·0	77·0	96·0	87·5
63·0	61·0	80·0	78·0	97·0	88·0
64·0	62·0	81·0	79·0	98·0	88·5
65·0	63·0	82·0	80·0	99·0	89·0
66·0	64·0	83·0	80·5	100·0	89·5
67·0	65·0	84·0	81·0	101·0	90·0
68·0	66·0	85·0	82·0	102·0	90·0
69·0	67·0	86·0	82·5	103·0	90·5
70·0	68·0	87·0	83·0	104·0	90·5
71·0	69·0	88·0	83·5	105·0	91·0
72·0	70·0	89·0	84·0	106·0	91·0
73·0	71·0	90·0	84·5	107·0	91·5
74·0	72·0	91·0	85·0	108·0	91·5
75·0	73·0	92·0	85·5	109·0	92·0
76·0	74·0	93·0	86·0	110·0	92·0

Provided however that this clause shall not apply—

(i) when the difference between the wet bulb temperature as indicated by the hygrometer in the department concerned, and the wet bulb temperature taken with a hygrometer outside in the shade is less than 3·5 degrees; or

(ii) when the "cooling properties" of the air in the department concerned at a height of five feet from the floor in all usual working places is greater than 11 as measured by "wet" readings of a kata thermometer.

Provision of hygrometers.

19. In all departments of cotton, spinning and weaving mills wherein artificial humidification is adopted, hygrometers shall be provided and maintained in such positions as are approved by the Inspector. The number of hygrometers shall be regulated according to the following scale :—

(*a*) One hygrometer for departments with less than 500 looms, and one additional hygrometer for every 500 or part of 500 looms in excess of 500. Weaving Department.

(*b*) One hygrometer for each room of less than 300,000 cubic feet capacity, and one extra hygrometer for each 200,000 cubic feet, or part thereof, in excess of this. Other Departments.

(*c*) One additional hygrometer shall be provided and maintained outside each cotton, spinning and weaving factory wherein artificial humidification is adopted, and in a position approved by the Inspector, for taking hygrometer shade readings.

20. When the Inspector is satisfied that the limits of humidity allowed by the schedule to rule 18 are never exceeded, he may, for any department other than the Weaving Department, grant exemption from the maintenance of the hygrometer. The Inspector shall record such exemption in Form 'B'. Exemption from maintenance of hygrometers.

21. A legible copy of the Schedule to rule 18 shall be affixed near each hygrometer. Copy of Schedule to rule 18 to be affixed near every hygrometer.

22. At each hygrometer maintained in accordance with rule 19, correct wet and dry bulb temperatures shall be recorded thrice daily during each working day by competent persons nominated by the manager and approved by the Inspector. The temperatures shall be taken between 7 A.M. and 9 A.M., between 11 A.M, and 2 P.M. (but not in the rest interval), and between 4 P.M. and 5-30 P.M. In exceptional circumstances such additional readings and between such hours, as the Inspector may specify, shall be taken. The temperatures shall be entered in a humidity register in Form "H" maintained in the factory. At the end of each month the persons who have taken the readings shall sign the register and certify the correctness of the entries. The register shall always be available for inspection by the Inspector. Temperatures to be recorded at each hygrometer.

FORM H.

(*Sections* 15 *to* 32, *Rule* 22.)

Humidity Register.

Department.—Distinctive mark or number.

Hygrometer.—Position in department.

Date—Year, Month, Day	Readings of Hygrometer							
	Between						If no humidity, insert none	Remarks
	7 A.M. and 9 A.M.		11 A.M. and 2 P.M. (but not in the rest period)		4 P.M. and 5-30 P.M.			
	Bulb		Bulb		Bulb			
	Dry	Wet	Dry	Wet	Dry	Wet		
1st								
2nd								
3rd								
.....								
.....								
.. ...								
20th								
31st								

At the beginning of the month the Sundays, whole holidays and in the shorter month the 31st or other excess days should be erased.

(*Signed*).

Certified that the above entries are correct.

Date (*Signed*).

Specification of Hygrometers.

23. (*a*) Each hygrometer shall comprise two mercurial thermometers, respectively, wet bulb and dry bulb of similar construction, and equal in dimensions, scale and divisions of scale. They shall be mounted on a frame with a suitable reservoir containing water.

(*b*) The wet bulb shall be closely covered with a single layer of muslin, kept wet by means of a wick attached to it and dipping into the water in the reservoir. The muslin covering and the wick shall be suitable for the purpose, clean and free from size or grease.

(*c*) No part of the wet bulb shall be within 3 inches from the dry bulb or less than 1 inch from the surface of the water in the reservoir and the water reservoir shall be below it, on the side of it away from the dry bulb.

(*d*) The bulbs shall be spherical and of suitable dimensions and shall be freely exposed on all sides to the air of the room.

(*e*) The bores of the stems shall be such that the position of the top of the mercury column shall be readily distinguishable at a distance of 2 feet.

(*f*) Each thermometer shall be graduated so that accurate readings may be taken between 50 and 120 degrees.

(*g*) Every degree from 50 degrees up to 120 degrees shall be clearly marked by horizontal lines on the stem; each fifth and tenth degree shall be marked by longer marks than the intermediate degrees, and the temperature marked opposite each tenth degree, *i.e.*, 50, 60, 70, 80, 90, 100, 110 and 120.

(*h*) The markings as above shall be accurate, that is to say, at no temperature between 50 and 120 degrees shall the indicated reading be in error by more than two-tenths of a degree.

(*i*) A distinctive number shall be indelibly marked upon the thermometer.

(*j*) The accuracy of each thermometer shall be certified by the National Physical Laboratory, London, or some competent authority appointed by the Chief Inspector and such certificate shall be attached to the Humidity Register.

Thermometers to be maintained in efficient order.

24. Each thermometer shall be maintained at all times during the period of employment in efficient working order, so as to give accurate indication and in particular—

(*a*) The wick and the muslin covering of the wet bulb shall be renewed once a week.

(*b*) The reservoir shall be filled with water which shall be completely renewed once a day. The Chief Inspector may prescribe the use of the distilled water or pure rain water in any particular mill or mills in certain localities.

(*c*) No water shall be applied directly to the wick or covering during the period of employment.

An inaccurate thermometer not to be used without fresh certificate.

25. If an Inspector gives notice in writing that a thermometer is not accurate, it shall not, after one month from the date of such notice, be deemed to be accurate, unless and until it has been re-examined as prescribed and a fresh certificate obtained, which certificate shall be kept attached to the Humidity Register.

Hygrometer not to be affixed to wall, etc., unless, protected by wood.

26. No hygrometer shall be affixed to a wall, pillar or other surface unless protected therefrom by wood or other non-conducting material at least half an inch in thickness and distant at least one inch from the bulb of each thermometer.

No reading to be taken within 15 minutes of renewal of water.

27. No reading shall be taken for record on any hygrometer within 15 minutes of the renewal of water in the reservoir.

How to introduce steam for humidification.

28. In any room in which steam pipes are used for the introduction of steam for the purpose of artificial humidification of the air the following provision shall apply—

(*a*) The diameter of such pipes shall not exceed 2 inches and in the case of pipes installed after 1st day of August 1936 the diameter shall not exceed one inch;

(*b*) Such pipes shall be as short as is reasonably practicable;

(*c*) All hangers supporting such pipes shall be separated from the bare pipes, by an efficient insulator not less than half an inch in thickness;

(*d*) No uncovered jet from such a pipe shall project more than 4½ inches beyond the outer surface of any covering;

(*e*) The steam pressure shall be as low as practicable and shall not exceed 70 lbs. per square inch.

Kata thermometers.

29. The cooling properties of air shall be determined by using "Kata thermometers." Tests shall be determined as laid down in the printed instructions issued with each instrument, or with those given in Appendix.

APPENDIX.

Directions for the use of Kata Thermometers.

Object.

1. Measurement of cooling properties of the air exerted on its surface, at approximately body temperature, (36·5°C) in millicalories (1/1000) gramme calories per sq. cm. per sec. The wet kata gives the cooling properties by radiation, convection and evaporation.

To take 'wet' readings.

2. Heat the bulb WITH ITS SILK NET FINGER STALL ON in warm water (a thermos flask is convenient)

till the spirit rises into the top bulb, and the column is free from bubbles. Never leave the instrument in hot water, for it will burst if the spirit fills the top bulb. Remove excess of water from the bottom of the bulb either by a cloth or by a gentle flick of the thermometer and hold the instrument by the stem well away from the body at about 5 feet from the floor. Take the time in seconds taken by the spirit column in falling from 100° to 95° F. A stop watch is most convenient. Take three to five readings and the average of these. Always neglect the first reading of all.

3. The factor of each instrument is inscribed on the stem prefixed by F. Divide the factor by the average time of cooling in seconds. The result gives the cooling properties in millicalories per sq. cm. per sec. The factor.

30. Tests shall be carried out and recorded at such times and for such period as the Chief Inspector may by written order require. Tests to be recorded as required.

Sanitary Conditions.

Cleanliness.

(*Sections* 13 *and* 32.)

31. (1) In every factory, all the inside walls of the rooms and all the ceilings or tops of such rooms (whether such walls, ceilings or tops be plastered or not), and all the passages and staircases shall be limewashed at least once in each year, dating from the period when last limewashed. All the beams, rafters, doors, window frames and other wood work with the exception of floors shall be either limewashed or colour-washed at least once a year dating from the period when last limewashed or colour-washed or shall be painted or varnished once in seven years, dating from the period when last painted or varnished and shall be kept in a cleanly state.

The dates on which limewashing, colour-washing, painting, or varnishing is carried out shall be duly entered in Form I, which shall be shown to the Inspector when required.

FORM I.

Rule 31.

Limewashing, etc.

Part of factory, *e.g.*, name of Room	Parts limewashed, painted or varnished, *e.g.*, walls, ceilings, etc.	Treatment (whether limewashed, painted or varnished)	Date on which limewashing, painting or varnishing was carried out			Signature of occupier or manager	Remarks
			Day	Month	Year		

Signature of Occupier..... Signature of Manager.....

Provided that the provisions of these sub-rules shall not apply to—

(i) room used only for the storage of articles;

(ii) walls or tops of rooms which are made of galvanised iron, tiles, asbestos sheets, or similar materials or glazed bricks;

(iii) rooms in which a manufacturing process is carried on in any gas works, forage presses, chemical works and cement factories;

(iv) engineering works or foundries in which 2,000 c.ft. of air space is provided for each person employed;

(v) walls in oil mills below a height of 5 feet from the ground;

(vi) walls of railway running sheds;

(vii) works in which soap manufacture is carried on;

(viii) rooms in sugar factories in which sugar is stored or is in manufacturing process;

(ix) rooms in tanneries in which salting, tanning, and dressing of hides and skins are carried on;

(x) any other factory or parts thereof in which limewashing or painting is in the opinion of the Government unnecessary to satisfy the requirements of Section 13 as to cleanliness.

32. (1) No rubbish, filth or debris shall be allowed to accumulate or to remain on any premises in a factory in such position that effluvia therefrom can arise within the factory.

Rubbish not to be allowed to accumulate.

(2) All ducts used for the introduction of humidified air shall be kept clean whether they are actually in use for that purpose or not.

33. The compound surrounding every factory shall be maintained in a sanitary and clean condition.

Compound to be kept clean.

34. In factories or portions of factories constructed or reconstructed after the 1st day of August 1936, the floors of department, in which processes which render the floors wet are carried on, shall be effectively drained. In other factories such steps shall be taken to minimise the danger to health or safety as the Inspector may require by an order in writing.

Floors of certain factories to be drained

35. All drains carrying waste or sullage water shall be constructed in masonry or other impermeable material and shall be regularly flushed and, where possible, connected with some recognised drainage line.

Drains, etc., to be constructed in masonry, etc.

36. The Manager of every factory shall enforce the proper use of latrine and urinal and prevent pollution by excreta of the surface of the ground in the vicinity of the latrine and urinal and in the compound of the factory.

Enforcement to prevent pollution by excreta in latrines and urinals.

37. Proper arrangements shall be made for maintaining in a clean and drained condition the areas around washing and bathing places.

Areas around washing places, etc., to be drained and kept clean.

38. Proper arrangements shall be made for maintaining the area round the places where drinking water is distributed to the workers in a clean and drained condition.

Prevention of Overcrowding.

(*Sections* 17 *and* 32.)

39. (1) There shall be provided for each person employed at one time in any room of a factory 36 square feet of floor space, and

Particulars of rooms to be entered.

(i) where mechanical or electrical power is not used a breathing space of at least 500 cubic feet, and

(ii) where mechanical or electrical power is used, a breathing space of at least 700 cubic feet.

(2) Particulars of each room of the factory in which persons are regularly employed shall be entered in

Form J, which shall be shown to the Inspector when required.

FORM J.

Rule 39.

Particulars of rooms in the Factory.

Name of room in Factory	Dimensions of room in feet			Total floor area in sq. feet	Floor area occupied by machinery in the room	Breathing space (cubical contents in c.ft.)	Maximum No. of persons who may be employed in the room	Remarks
	Length	Breadth	Height					

Signature of Occupier.

Signature of Manager.

LIGHTING.

(*Sections* 14, 18 *and* 32).

Artificial lighting.

40. Artificial lighting in accordance with the following standards shall be provided and used in the interior of cotton ginning factories at times when artificial lighting is necessary and is ordinarily used—

(i) by means of electricity, to the satisfaction of the Inspector, one lamp for six gins, each lamp of not less than 25 candle power ; or

(ii) by candles placed in glass lanterns of a pattern approved by the Inspector, not less than one such lantern for every two gins.

Factories to be sufficiently lighted.

41. As long as any workers are present in a factory, the latrine, passages, stairs, hoists, factory grounds and other parts of the factory, in so far as the entrance of the said places is not closed, shall be lighted in such manner that safety is fully secured in passing through or remaining in the same.

Artificial lighting.

42. Save in cases where the Inspector by written order otherwise permits at any time artificial lighting shall not be provided otherwise than by means of electri-

city, in any factory of the classes specified below or parts of such factories :—

(i) The interior of any cotton ginning factory, provided that candles placed in glass lanterns of a pattern approved by the Inspector may be used ;

(ii) Any part of a factory in which any of the processes connected with the manufacture and packing of any matches or fire works is carried on ;

(iii) All interior parts of cotton spinning and weaving factories, other than engine and boiler rooms, rope alleys, mechanic shops, calendering, finishing, dyeing and sizing departments.

43. (1) In every room in a jute mill, where opening of bales, batching machine, hackling, carding, preparing or any other process is carried on in which dust is generated to an extent likely to cause injury to the health of the workers, efficient exhaust and inlet ventilators shall be provided to secure that the dust is drawn away from the workers at or as near as is reasonably possible to the point at which it is generated.

(2) In every room in a cotton mill where slasher sizing is carried on such arrangement as is considered efficient by the Inspector of Factories appointed for this purpose, for the removal of the steam given off in the process of drying the yarn shall be made.

(3) In every room of a factory, ventilating openings shall be provided in the proportion of five square feet for each person employed in such room and the opening shall be such as to admit of a continued supply of fresh air, provided that, subject to the control of Government, the Inspector may, for reasons to be recorded in writing, relax the conditions of this rule where, in his opinion this, may be done with due regard to the health of the persons employed in any room.

WATER.

(Sections 19 and 32).

(1) For drinking purposes.

44. Drinking water shall, in all cases, be supplied to the workers free of cost. Supply of drinking water.

Sources of supply.

45. Wherever practicable, drinking water shall be supplied—

(*a*) from taps connected with any public water-supply from which a sufficient supply of water can at all times be drawn as required, or

(*b*) from a well or wells so situated as not to be polluted or contaminated with organic matter or impurities.

Provision of storage of water in certain cases.

46. If it is not practicable in any factory to supply water in accordance with the methods prescribed in rule 45 or if the public water-supply is intermittent, then there shall be provided a storage of water, fit for drinking, supplying at least as many gallons per day as there are persons employed in the factory.

(2) For washing purposes.

Washing accommodation.

47. In every factory in which any process involving contact by the workers with injurious or obnoxious substances is carried on, a sufficient supply of water suitable for washing shall be provided. For every fifteen workers so employed, at least one impervious wash basin fitted with a waste-pipe shall be provided together with a free supply of nail brushes and soap :

Provided that if in any factory, sufficient bathing accommodation has been already provided, the Inspector may vary the above standard to such extent as he may think fit.

Provision of Sanitary Accommodation.

(*Sections 20 and 32.*)

Provision of latrines and urinals.

48. (1) Every factory shall be provided with latrine accommodation on the scale given below :—

	Seats.
Where the number of workers does not exceed 20	1
Where the number of workers exceeds 20 but does not exceed 35	2
Where the number of Workers exceeds 35 but does not exceed 50	3
Where the number of workers exceeds 50 but does not exceed 150 ...	4
Where the number of workers exceeds 150 but does not exceed 200 ...	5
Where the number of workers exceeds 200.	1 seat for every 40 or fraction of 40.

Such latrines shall be roofed and sufficiently ventilated and lighted. The surface of floors and inside walls shall be made of non-absorbent impermeable material to a height of three feet from the floor, within six months from the date of the coming into force of these rules.

Except with the written permission of the Inspector, such latrine accommodation shall be in a place detached from the other factory buildings:

Provided that in a seasonal factory situated in a place detached from other buildings, latrines may be constructed of the pit or bore-hole type on such a scale as the Inspector may require in writing. The site of such latrines shall be as distant as practicable from any buildings or water-supply and in any case not within 50 feet of a source of drinking water-supply.

(2) In factories which employ more than 50 workers and which do not provide flushing arrangements in the latrines, one urinal shall be provided for every 100 workers or fraction of 100.

(3) If females are employed, separate latrines and urinals screened from those of males and marked in the vernacular in conspicuous letters "for women only" shall be provided. Those for males shall be similarly marked "for men only."

(4) The number of latrines required shall be calculated independently for males and females.

Latrines and urinals to be limewashed, etc.

49. The walls of latrines and urinals shall be limewashed or colourwashed, both inside and outside, not later than six months from the date of the last limewashing or colourwashing:

Provided that in non-seasonal factories, working by shifts more than ten hours a day, limewashing or colourwashing shall be carried out not later than four months from the date of the last limewashing or colourwashing. The dates of limewashing or colourwashing shall be noted in Form I:

Provided also that this rule shall not apply to latrines made of corrugated iron, or to tiled latrines, or to any class of latrines exempted by an order in writing by the Inspector in Form B.

Latrines and urinals to be kept sanitary.

50. All latrines and urinals shall be kept in a sanitary state.

(Corresponds to old Rule 29.) Exemption where permissible.

51. If in the opinion of the Chief Inspector of Factories, in the case of a factory situated in a place detached from other buildings and from which access to the open country or at least two sides of it is obtainable, such latrine accommodation is unnecessary to insure the health of the operatives. Government may exempt such factory from the provisions of the above rules by an order in writing in Form K. But in such cases, the factory shall provide for the employees simple earth trenches which should be moved every three days.

FORM K.

(*Rule 51.*)

Section of Rule from which exemption is given	Subject dealt with	Extent of and reason for exemption	Date and Number of order

PRECAUTION AGAINST FIRE AND PROVISION OF MEANS OF ESCAPE IN CASE OF FIRE.

(*Sections 21, 22, 23 and 32 and also Rule 42*).

Buildings of more than one storey to be provided with two stairs.

52. Every building of more than one storey shall be provided with at least two sets of stairs or steps permanently fixed either inside or outside the building, so as to afford direct and unimpeded access from every part of the factory to the ground level. Such stairs shall be provided with a suitable and sufficient hand-rail or other convenient support. In factories employing less than forty persons, the Inspector may accept in lieu of a second set of stairs or steps, such other means of escape in case of fire as can reasonably be required in the circumstances of each case.

53. Every window or door giving access to an external staircase shall be so arranged as to open immediately from the inside.

Exits to external stairs to open from inside.

54. Notwithstanding anything contained in Rule 52, ginning factories shall be provided with at least two suitable earthen ramps or two flights of stairs made of brick-work or other fire-resisting material.

Ginning factories to be provided w h two earthen ramps, etc.

FENCING.

(Sections 24 and 32.)

55. The following parts of transmission machinery shall be securely fenced if in motion and likely to cause danger:—

Certain parts of transmission machinery to be fenced.

(i) All shafts, couplings, collars, toothed wheels, pulleys, driving straps, chains and ropes, except such as are in the opinion of the Inspector, by reason of construction or position, equally safe to every person employed as they would be, if securely fenced or guarded.

(ii) All projecting set screws, keys, nuts or bolts on revolving parts, except such as are countersunk or otherwise made equally safe.

(iii) The underside of all heavy overhead main driving belts or ropes, if there is any probability of persons having to pass under them.

56. (i) Cotton openers, combined openers and scutchers and lap-machines, hard waste breakers and similar machines and spinning mules shall be driven from countershafts provided with fast and loose pulleys and efficient belt shifters.

Other precautions to be taken with certain parts.

(ii) In all openers, combined openers and scutchers, scutchers, scutcher-lap machines, hard waste breakers and similar machines, the cover of the beaters and doors which give access to any dangerous parts of the machines shall be secured by a self-locking apparatus maintained in efficient order in such manner as to make it impossible to open such cover or door when the machine is working. A similar device shall be applied to the doors or casings over the jack box motion and adjacent parts of all slubbing, intermediate and roving frames set up after the 1st day of April 1936.

(iii) In all openers, combined openers and scutchers, scutchers, scutcher-lap machines, hard waste breakers and similar machines, the openings giving access to the dust

chamber shall be provided with permanently fixed fencing which shall, while admitting light, yet prevent contact between any portion of worker's body and the beater gird bars.

(iv) In all combined openers and scutchers, scutchers, scutcher-lap, sliver-lap and lap machines and similar machines, an efficient guard shall be fitted over the lap and maintained in such order that no person may handle the lap when the weight friction rack is exerting pressure on the lap spindle.

Parts of carding machines to be fenced.

57. (*a*) In every carding machine:—

(i) all feed roller wheels and doffer wheels, side shaft wheels, calender wheels, and coiler wheels shall be efficiently fenced;

(ii) licker-in-covers shall be screwed down so that they cannot be readily lifted, while the machine is in motion.

(*b*) In every carding machine, other than roller and clearer waste cards or cards of a similar type erected after the 1st of April 1936, the cylinder stripping door shall be secured by an automatic locking apparatus maintained in efficient order in such manner as to make it impossible to open such door until the cylinder is at rest.

(*c*) In every roller and clearer waste carding machine, the wooden cover over the rollers and clearers shall be secured in such manner that it cannot be readily opened.

Certain parts to be guarded.

58. Every ring-throstle-frame, flyer-throstle-frame and doubling frame, the tin rollers, of which revolve in the usual directions, that is, in such manner as to draw upwards between them any object coming into contact with them from beneath, shall be guarded in the following manner:—

(i) A guard or guards shall be permanently fixed along the whole length of each side of every such frame and not further under the frame than the outer edge of the spindle rail.

(ii) These guards shall consist of strong horizontal iron bars not less than one and a quarter inch in width and one-quarter of an inch in thickness secured to suitable uprights spaced not more than four feet apart; the bars should be so placed that the vertical space between the topmost bar and the bottom of the spindle rail and between the lowest bar and the floor and between

any bar and the next bar shall be not more than six inches. If any line of bars consists of more than one piece, the pieces, forming the line shall overlap each other by at least two and a half inches and shall be effectively secured.

(iii) Whenever under the tail end of any such frame, there is a clear space exceeding 8 inches from the floor, a like guard shall similarly be fixed midway across such end.

(iv) Every frame shall be fenced in the above manner before being brought into use, unless secure fencing is adequately maintained by wooden guards, constructed of suitable dimensions from strong sound smooth wood, such as teak, permanently and suitably fixed.

Calendering machines, etc., to be provided.

59. In respect of calendering machines, mangles, and similar machines, all such machines shall be provided with an efficient "nip" guard along the whole length on the intake side of each pair of bowls and similar parts, which shall be so fitted and maintained, whilst the rollers or bowls are in motion, as to prevent access of any person's fingers to the point of contact of the rollers or bowls.

Belts, etc., to be regularly examined.

60. (i) All belts shall be regularly examined to ensure that the joints are safe and the belts at proper tension.

(ii) All hoist ropes and chains shall be regularly examined by a competent person nominated by the Manager to ensure that they are in safe condition. The Manager shall maintain a record of such examinations with dates and remarks under his signature in the inspection book maintained in accordance with Rule 5.

Emery and abrasive wheels to be provided with an iron coverguard.

61. Except with the written permission of the Inspector, every emery or abrasive wheel shall be provided with a strong iron cover guard that shall enclose the wheel, as far as practicable. The guard shall be securely attached to the frame of the machine or other solid foundation.

Additional Fencing in Ginning and Pressing Factories.

Additional provision for cotton and ginning factories.

62. The following special additional provisions shall apply to cotton ginning factories, to the extent therein indicated:—

(*a*) the line shaft or second motion in cotton ginning factories, when below floor level, shall be

completely enclosed by a continuous wall or unclimbable fencing with only so many openings as are necessary for access to the shaft for removing cotton seed, cleaning and oiling; and such openings shall be provided with gates or doors which shall be kept closed and locked.

(*b*) The toothed rollers of the opener shall be guarded by securely fixing across the machine a strong wooden plank or metal guard so fixed that in no circumstances can a person's hand get into the rollers.

(*c*) The spur gearing at the side of the opener shall be completely covered by a strong metal guard.

(*d*) The crank shaft pulleys and roller-pulleys of all gins shall be securely fenced by strong box guards and hinged top covers.

(*e*) All ginning machines and openers shall be provided with fast and loose pulleys and efficient belt shifters.

(*f*) The intake side of the roller cog wheels on all double roller ginning machines shall be fenced by a strong metal guard. The oscillating mechanism on all these machines shall also be fenced by a strong metal cover.

(*g*) Any opening on the underside of saws on saw gins or similar gins shall be securely fenced by securely bolting an expanded metal or similar cover in such a manner that no person's hand can come in contact with the saws, when the saws are in motion.

(*h*) In putties or kappas and cotton openers, the beater at the feed end shall be securely fenced by permanently fixing strong sound wooden planks or metal plates across the feed opening and to the sides of the machine, in such a manner that in no circumstances can any portion of a person's body come in contact with the beater whilst it is in motion.

Additional fencing in factories wherein decorticating is carried out.

63. In any decorticator.—

(*a*) The feed opening shall be securely fenced by permanently fixing iron bars not less than 5/8″ in diameter, spaced not more than two inches apart from centre, across such opening.

(*b*) The axil openings at the sides of the machine shall be securely fenced by permanently fixing expanded metal covers over such openings, in such manner that in no circumstances can a person's hand come in contact with the "pankha."

Protection of Workers Attending to Machinery.

64. As far as possible all important pulleys shall be provided with belt hangers:

Important pulleys to be provided with belt hangers.

Provided that when the main belts of any machinery have to be adjusted, the machinery shall be stopped and shall not be set in motion again, until such belts have been completely adjusted.

65. Replacing or adjusting of fast running belts shall be done only by an experienced and specially trained worker.

Fast running belts to be replaced, etc., only by experienced and trained worker.

66. All ladders used in replacing belts shall be specially made and reserved for that work and provided with hooks or an effective non-skid device. Ladders provided with hooks must have hooks fitted in such suitable positions that they rest on the shaft when the bottom end of the ladder is resting on the floor.

Ladders.

67. (1) Every worker, who goes up to replace a belt or to oil bearings of a shaft, shall wear a tight loin cloth or tight trousers, and shall not wear any loose clothing which is liable to be caught in the machinery. The tight loin cloth or tight trousers shall be provided by the occupier, free of cost.

Certain workers to be supplied with certain clothing free of charge.

(2) The provisions of sub-rule (1) shall apply :—

(*a*) to every worker, who goes down to replace a belt or to oil bearings of a shaft in a cotton ginning factory, and

(*b*) to all oilers and to attendants of prime movers, and to any person who is allowed to work in the shaft alley of a cotton ginning factory when the machinery is in motion.

(3) A dhotie wrapped round the body in any manner shall not be deemed to be a loin cloth within the meaning of sub-rule (1).

68. All kiers, digesters or steam jacketed pans or other vessels worked under pressure shall be fitted with safety valves and pressure gauges.

Certain pans to be fitted with safety valves, etc.

69. All sizing cylinders, pits, tanks, gutters, or excavations of more than eighteen inches in depth and all open tanks or open vessels containing either chemicals or

Certain places to be securely fenced.

hot substances dangerous to human life or safety shall be securely fenced, except when they are, in the opinion of the Inspector, by reason of construction or position equally safe to every worker as they would be if securely fenced.

70. Safe and convenient access shall be provided to all bearings.

71. All water gauge glasses of boilers of which the maximum pressure exceeds 100 lbs. per square inch shall be securely guarded.

72. No additional weight shall be placed on the safety valve of any boiler except under the written authority of the Boiler Inspector.

Electrical Fittings.

73. (1) All electrical conductors shall either be covered with adequate insulating material and further protected in a manner approved by the Inspector to prevent danger or shall be so placed and guarded as to prevent danger.

(2) All electrical apparatus, machines and fittings shall be :—

(*a*) so placed or protected in a manner approved by the Inspector as to prevent danger;

(*b*) provided with efficient handles or other means of working, insulated from the electrical system and so arranged that the hand cannot inadvertently touch live metal.

(3) Only specially trained and experienced persons shall be allowed to operate, adjust or repair any electrical apparatus.

(4) Instructions both in English and Kanarese for the restoration of persons suffering from electric shock shall be affixed in a conspicuous place in every factory using electrical energy for lighting or power purposes.

Prevention of Accidents.

74. Notices in form "L" both in English and Kanarese for the prevention of accidents in factories shall be affixed in conspicuous places in every room of the factory in which machinery is in use.

FORM L.

Danger.

It is dangerous whilst machinery is in motion—

(i) to clean and adjust dangerous parts of the Machinery;

(ii) to remove, interfere with and disregard any guard or fence;

(iii) to replace heavy belts and;

(iv) to wear loose clothing whilst attending to machinery or belts.

Prohibition or Admission of Children.

Section 28.

75. In any factory of the classes specified below, the admission of children between the ages of two and twelve is prohibited to such factories as is specified:— Admission of certain children prohibited.

(*a*) Cotton ginning factories, to any part of such factories or premises wherein any machinery is at work;

(*b*) Match factories, to any part of such factories other than rooms or an enclosed portion of the compound specially reserved for the use of such children in which no manufacturing process is carried on and no articles or materials are stored; and

(*c*) Any factory in which explosives are manufactured.

Notices of Accidents.

(*Sections* 30 *and* 32.)

76. Notices of accidents resulting in death or causing such severe injury that there is no reasonable hope that the injured person will be able to return to work within 48 hours, shall be sent by telegram, telephone or special messenger within four hours of the occurrence to— Notice of accidents.

(i) the Inspector of the area in which the factory is situate, and

(ii) the District Magistrate or if he by general order so directs, any other Magistrate of the First Class.

77. In case of any accident resulting in death, notice shall also be sent to the officer in charge of the police Notice to be given to police if death results immediately.

station for the area in which the factory is situate within the time and by the agency prescribed in rule 76.

Notice when death follows within seven days.

78. If in the case of an accident, the injured person dies within seven days of the accident, information of his death whenever known shall be sent by telegram, telephone or special messenger, within 24 hours of the occurrence to—

(i) the Inspector,

(ii) the District Magistrate or if he by general order so directs, the Magistrate of the First Class, and

(iii) the officer in charge of the police station for the area in which the factory is situated.

Such notice to be in Form 'M.'

79. If the notice is sent by special messenger, it shall be in Form 'M' and if it is sent by telegraph or telephone, it shall be confirmed by a written report in that Form. Copies of all such notices shall be maintained for a period of three years.

Notice of minor accidents.

80. Notices of accidents of a minor character, but which nevertheless prevent the injured person from returning to work within 48 hours of the occurrence, shall be given in Form 'M' within 24 hours of the expiry of that time to both the Inspector and the District Magistrate, or if the latter by general order so directs, to the Magistrate of the First Class.

Notice of other accidents.

81. Notices of accidents occurring in a factory which do not cause death or bodily injury but are due to any of the following causes, namely:—

(i) structural collapse,

(ii) the breaking of any rope, chain or other appliance used in raising or lowering persons or goods by the aid of mechanical or electrical power, or

(iii) fires in cotton openers in cotton pressing factories, shall be sent in Form 'M'—

(*a*) to the Inspector in all other cases, by registered post within four hours of the occurrence, or the accident shall be reported by telegraph, telephone, or by special messenger within the same period. If the notice is sent by special messenger, it shall be in Form 'M' and if it is sent by telegraph or telephone, it shall be confirmed by a written report in that Form. Copies of all such notices shall be maintained for a period of three years.

FORM M.

(*Rule* 79, 80 *and* 81.)

REPORT OF ACCIDENTS.

Not to be filled up by the Management.	District. Date of receipt. Accident No. Classification (fatal, serious or minor). Date of enquiry. Result of enquiry.

1. Name of occupier.
2. Address of Works.
3. Nature of Industry.
4. Branch or Department in which accident occurred.
5. (*a*) Was injury caused to any person?
   (*b*) If so, the injured person's name.

Address.

Sex Age Caste.

*6. Usual occupation of injured person.
7. Date and hour of accident.
8. Hour at which he started work on day of accident.
9. Cause of accident (*a*).
If caused by machinery, give—
(*b*) Name of machine and part causing accident.
(*c*) State whether it was moved by mechanical power at the time.
*(*d*) State exactly what injured person was doing at the time.
*10. Describe fully nature and extent of injuries *e.g.*, fatal, loss of finger, etc.
*11. If accident not fatal, state whether injured person was disabled for 48 hours (see Section 30 of the Regulation 1936).
12. Has duplicate copy of this return been kept?
*13. Under whose treatment is injured person?

PLACE. *Signature of Occupier, Manager or Agent.*
Date.

82. If the Inspector has reason to believe that a fatal or serious accident has occurred in any factory, whether he has received a notice under Section 30 or not, the Inspector shall proceed to make an investigation by himself or in co-operation with any official deputed by the District Magistrate or the Police authorities, or with both in order to determine, as soon as possible, the cause of, and responsibility for, the accident. If it should be found

Inspector to investigate fatal or serious accidents.

*Not to be used when no injury has been caused to any person.

that the death or serious injury resulted from the Occupier or Manager, or other person having neglected to observe any provision of the Regulation or Rule or Order made thereunder, the Inspector shall, if he considers that a prosecution should be instituted under the Regulation, report to the District Magistrate that he is instituting a prosecution under the Regulation.

Provided that where the Inspector considers that the prosecution should be instituted by a local official, he shall give the previous sanction in writing required by Section 74, and forward the same to the District Magistrate with a request that a prosecution may be instituted. If the Inspector considers that action should also be taken under the Indian Penal Code, he shall record his opinion and send it to the District Magistrate as he may think fit.

Procedure in Appeals.

(*Sections* 31 *and* 32.)

Procedure in Appeals.

83. (1) An appeal presented under Section 31 against the order of an Inspector shall lie to the District Magistrate, and that from the order of the Chief Inspector shall lie to Government. The appeal shall be in the form of a Memorandum setting forth concisely the grounds of objection to the order and bearing Court Fee Stamp in accordance with Court Fee Regulation in force, and shall be accompanied by a copy of the order appealed against.

(2) The Labour Unions in the case of Textile Industry and Chamber of Commerce in the case of other Industries are hereby prescribed as the bodies empowered to appoint one of the two assessors referred to in sub-section (2) of Section 31:

Provided that in respect of industries other than Textile Industry, the appellant shall state in the memorandum presented under sub-rule (1) whether he is a member of any of the aforesaid bodies and if he is a member of two such bodies, which of these two bodies he desires should appoint one of the two assessors as aforesaid; and the body empowered to appoint such assessors shall,

(1) if the appellant is the member of one such bodies, be that body;

(2) if he is a member of two such bodies, be the body, which the appellant desires, should appoint such assessors; and

(3) if the appellant is not a member of any of the aforesaid bodies or if he does not state in the memorandum which of such bodies he desires should appoint the assessor, be the body which the appellate authority considers as the best fitted to represent the Industry concerned.

Appointment of Assessors.

84. On receipt of the memorandum of appeal, the appellate authority shall, if it thinks fit or if the appellant has requested that the appeal should be heard with the aid of assessors, call upon the body, declared under sub-rule (2) of rule 83 to be the body representative of the industry, concerned under sub-section (2) of Section 31, to appoint an assessor within a period of 14 days. If an assessor is nominated by such body, the appellate authority shall appoint a second assessor itself. It shall then fix a date for the hearing of the appeal and shall give due notice of such date to the appellant and to the Inspector whose order is appealed against, and shall call upon the two assessors to appear upon such date to assist in the hearing of the appeal.

Remuneration of Assessors.

85. An assessor appointed in accordance with the provisions of rules 83 and 84 shall receive, for the hearing of the appeal, a fee to be fixed by the appellate authority, subject to a maximum of fifty rupees per diem. He shall also receive reasonable travelling expenses to be fixed by the appellate authority. The fees and travelling expenses shall be paid to the assessors by Government; but where assessors have been appointed at the request of the appellant and the appeal has been decided wholly or partly against him, the appellate authority may direct that the fees and travelling expenses of the assessors shall be paid in whole or in part by the appellant.

Provision and Custody of First-aid Appliances.

(*Section* 32.)

86. Before the Manager shall maintain, free of any charge to the workers, stores of first-aid appliances.

[*Section* 32 (*b*) *and* 32 (*g*).]

87. (*a*) There shall be provided and maintained so as to be readily accessible a first-aid box or cupboard of the prescribed standard (given below), and where more than

150 workers are employed an additional box or cupboard for every additional 150 workers.

The number of first-aid boxes or cupboards required under this provision shall be calculated on the largest number of workers employed at any one time, and fractions of 150 shall be reckoned as 150. Where the workers are employed in shifts, the calculation of the number employed shall be according to the largest number at work at any one time.

(*b*) Nothing except appliances or requisites for first-aid shall be kept in a first-aid box or cupboard.

(*c*) Keys of each first-aid box or cupboard shall be in the charge of the Manager, who shall ensure that duplicate keys are maintained, and readily available in the departments in which boxes or cupboards are kept during all working hours;

Provided that if an ambulance room or a dispensary with facilities for the adequate treatment of injured cases is maintained, the Inspector may, by written certificate, exempt the factory from the requirements of rule 86 to such extent and subject to such conditions as he may specify;

Provided further that where the employees of a factory are not exposed to a serious risk of accidents, the Inspector may, by written certificate, exempt the factory from the requirements of rule 86 to such extent as he may specify but no certificate shall totally exempt any factory from the necessity of maintaining first-aid appliances.

88. Prescribed standards :—

(*a*) For factories employing 50 workers or less each first-aid box or cupboard shall contain at least—

(*i*) Printed English and Vernacular instructions for the treatment of different types of injuries.

(*ii*) A sufficient number (not less than a dozen) of small sterilised dressings for injured fingers.

(*iii*) A sufficient number (not less than six) of medium sterilised dressings for injured hands or feet.

(*iv*) A sufficient number (not less than six) of large sterilised dressings for other injured parts.

(*v*) A sufficient number of sterilised burn dressings (small and large).

(*vi*) A sufficient supply of sterilised cotton wool, in ½ oz. packets.

(*vii*) A two per cent alcoholic solution of iodine.

(*viii*) A bottle of sal volatile, having the dose and mode of administration indicated on the label.

(*ix*) Eye drops.

(*x*) A supply of suitable splints and cotton wool or other material for padding.

(*xi*) A supply of adhesive plaster.

(*xii*) A tourniquet.

(*xiii*) Six roller bandages.

(*xiv*) Three triangular bandages.

(*xv*) Safety pins.

Provided that items (*x*) to (*xv*) inclusive need not be included in the standard first-aid box or cupboard (*a*) where there is a properly equipped ambulance room, or (*b*) if at least one box containing such items and placed and maintained in accordance with the requirements of rule 86 is separately provided.

Each first-aid box or cupboard shall be distinctively marked with a white cross on a red ground.

(*b*) For factories employing more than 50 workers each, first-aid box or cupboard shall contain at least—

(*i*) Printed English and Vernacular instructions for the treatment of different types of injuries.

(*ii*) A sufficient number (not less than two dozens) of small sterilised dressings for injured fingers.

(*iii*) A sufficient number (not less than one dozen) of medium size sterilised dressings for injured hands or feet.

(*iv*) A sufficient number (not less than one dozen) of large sterilised dressings for other injured parts.

(*v*) A sufficient number of sterilised burn dressings.

(*vi*) A sufficient supply of sterilised cotton wool, in ½ oz. packets.

(*vii*) A two per cent alcoholic solution of iodine.

(*viii*) A bottle of sal volatile, having the dose and mode of administration indicated on the label.

(*ix*) Eye drops.

(*x*) A supply of suitable splints and cotton wool or other material for padding.

(*xi*) A supply of adhesive plaster.

(*xii*) A tourniquet.

(*xiii*) One dozen roller bandages.

(*xiv*) Half a dozen triangular bandages.

(*xv*) Safety pins.

Provided that items (*x*) to (*xv*) inclusive need not be included in the standard first-aid box or cupobard (*a*) where there is a properly equipped ambulance room, or (*b*) if at least one box containing such items and placed and maintained in accordance with the requirements of rule 86 is separately provided.

Each first-aid box or cupboard shall be distinctively marked with a white cross on a red ground.

(*c*) For factories in which, owing to the nature of the manufacturing process, additional materials are necessary for the treatment of injuries, such additional materials shall be maintained as the Inspector may, by written order, require.

(*d*) All materials for dressings contained in first-aid boxes or cupboards shall be those designated in and of a grade or quality not lower than the standard prescribed by the British Pharmaceutical Codex, 1923.

89. Vernacular notices in Form hereto shall be affixed and maintained in every workroom, stating the nearest first-aid box or cupboard in respect of that room, also warning workers of the dangers of neglecting even small injuries and urging them to obtain proper treatment. The Form may be obtained from the Inspector.

90. Arrangements shall be made to replace as soon as possible articles used from first-aid boxes or cupboards from a reserve supply.

NOTICE FORM.

It is dangerous to neglect injuries.

Without proper care, blood poisoning or infection with serious consequences may result from slight injuries such as cuts, punctures, scratches, splinters, burns, etc.

Workmen are urged to get proper attention to all such injuries and to report at once to their immediate superiors and the First-aid Officer.

The nearest first-aid box is in.

INSPECTOR'S REGISTER OF FACTORIES.

(*Section* 32.)

The Inspector who maintains a register of factories.

91. The Inspector shall maintain a register of all factories under his charge in Form 'N' and shall

furnish a copy thereof to the District Magistrate as early as possible in each year. He shall also intimate to the District Magistrate, at the time they are made, all changes in the register which are made in accordance with rules 92, 93 and 94.

FORM 'N.'

(*Rule* 91.)

REGISTER OF FACTORIES.

Part I—Non-seasonal.

Part II—Seasonal. Year 19

Sl. No.	District	Name of factory	Postal address	Nature and amount of power	Nature of manufacturing process carried on	Name of Occupier	Name of Manager	Date of Inspection				Remarks

92. When the Inspector has reason to believe that any premises situated within his limits and not already registered as a factory ought to be included in his register, he shall send to the occupier of the premises a notice intimating his intention of placing such premises on his Register of Factories.

Notice to premises which ought to be registered as factories.

93. Any person served with a notice under Rule 92 may, within 15 days of the receipt of such notice, forward to the Inspector a statement setting forth his objections to the registration of his premises as a factory. The Inspector shall consider and dispose of such objections after making such enquiries as he may deem necessary, and shall communicate his decision to the person concerned.

Objections to such notice and their decision.

94. When any premises ceases to be occupied as a factory, the occupier may give notice of the fact to the Inspector who shall, if satisfied that the Act is no longer applicable to such premises, remove them from his Register. The Inspecter may, without such notice, and of his own motion, at any time remove any factory from his register if satisfied that it is no longer used as such.

Removal of entries from register.

95. A seasonal factory shall not be removed from the register if there is a probability of its starting work again within a reasonable time.

CERTIFICATE OF STABILITY OF BUILDINGS.

(*Section* 33.)

Manufacturing Process not to be begun in certain buildings without a stability certificate.

96. (1) In any building or part of a building which is erected or used or intended to be used for a cotton spinning or weaving factory or a sugar factory, no work or any manufacturing process with the aid of power shall be commenced until a certificate of stability of the building or part of a building, as the case may be, in Form 'O' signed by a person possessing the qualifications specified in sub-rule (4), has been approved be the Inspector for the area in which the factory is situate.

(2) Such certificate shall be accompanied by the plans of the building or part thereof which is erected or intended to be used as a factory showing its extent and construction and the position of machinery, plant and tanks thereon.

(3) No alteration or addition shall be made to such building or part thereof or to such machinery, plant or tanks, unless a fresh certificate in respect of such alteration or addition has been approved in the manner specified in sub-rule (1).

(4) No person who is not—

(*a*) a Member of the Royal Institute of British Architects,

(*b*) a Member of the Indian Institute of Architects,

(*c*) a Member or Associate Member of the Institute of Civil Engineers,

(*d*) a Member of the Institute of Structural Engineers,

(*e*) a Graduate in Engineering of the Indian University recognised by Government with three years' *bona-fide* practice on his own account or as Chief Assistant of a recognised firm of Engineers,

or

(*f*) possessed of such other qualifications as the Inspector shall approve

shall sign such certificate.

(5) Nothing in this rule shall apply to cotton spinning or weaving factories situate within the limits of the City or Municipal limits.

FORM O.

(*Rule* 96.)

CERTIFICATE OF STABILITY OF BUILDINGS.

This is to certify that (*a*) buildings, (*b*) part of the buildings..... ..... marked ..... in the attached plans, which have been prepared under the personal supervision and bear the signature of the undersigned,

(1) were erected and completed

(2) are to be taken into use

as a factory for the manufacture of ..... situated at ..... (full details of survey or plot No. and postal address required)

the property of

..... have been personally examined by the undersigned, and, from calculations made, examination of the various materials used and of the workmanship employed, the undersigned is satisfied that the strength of the aforesaid buildings part of a building is not less than that required by sound engineering practice and Government Resolution laid down by the Mysore Public Works Department. The undersigned is also satisfied that the foundations, floors, columns, stanchions, walls or other portions supporting machinery, plant, shafting or tanks are strong enough to support such machinery, plant, shafting or tanks with safety.

Place.....

Date..... *Signature with qualifications.*

HAZARDOUS OPERATIONS (LEAD AND LEAD COMPOUNDS).

(*Sections 33* (*4*) and *78*).

I.

97. (1) The operations specified in the schedule are declared to be hazardous operations, when carried on in any factory.

(2) No woman, adolescent or child shall be employed in any factory in any of the operations specified in Part I of the schedule or, save in any of the operations specified in Part II of the schedule.

II.

(3) In respect of every woman, adolescent or child employed in a factory in any of the operations specified in Part II of the schedule (hereinafter referred to in this Part of the rule as "such person"), the manager of the factory shall have in his possession a certificate of fitness in Form 'P' by a certifying surgeon appointed in Section 12.

(4) Every such person shall carry while he is at work a token giving reference to such certificate.

FORM 'P.'

Rule (97).

MEDICAL CERTIFICATE OF FITNESS.

In respect of persons employed in operations involving the use of lead compounds.

Serial No..... Date.....

I hereby certify that I have personally examined (name) son/daughter/wife of .....caste, etc., residing at.....who is desirous of being employed as.....in the.....factory and that his/her age as nearly as can be ascertained from my examination is.....years and that he/she is, in my opinion, fit for employment at work involving the use of lead compound. His/her descriptive marks are.....

Left thumb mark impression of person examined. Signature of Surgeon.

(5) Every such person shall be medically examined by a certifying surgeon at intervals of not more than three months, and a record of such examinations shall be kept in Form 'Q'.

FORM 'Q.'

(*Rule* 97).

Register of Medical Inspection of persons employed in processes involving the use of lead compounds.

Serial No.....

(2) Certificate No.....

(3) Name.....

(4) Sex.....Age.....Caste.....

(5) Date of employment.....

(6) Date of inspection.....

(7) MAIN SYMPTOMS.

(a) Blue line on gums.
(b) Anæmia.
(c) Gastric colic constipation.
(d) Nervous symptom vertigo headache.
(e) Paralysis.
(f) Encephalopathy.
(g) Others.
(h) Remarks.
(i) Initials of Certifying Surgeon and date.

(6) If at any time the certifying surgeon is of opinion that any such person is no longer fit for employment in any of the operations specified in Part II of the schedule, he shall cancel the certificate of fitness of that person and that person shall not be employed in any such operation, unless the certifying surgeon again certifies him to be fit.

(7) Where dust or fume from a lead compound is produced in any operation specified in Part II of the schedule, provision shall be made for drawing the fume or dust away from every such person by means of an efficient exhaust draft so contrived as to operate on the dust or fume as nearly as may be at its point of origin.

(8) No food, drink or tobacco shall be brought into or consumed in any room in which any such person is employed.

(9) Adequate protective clothing in a clean condition shall be provided by the employer for and worn by every such person.

(10) Every room in which any such person is employed and all tools and apparatus used by him, shall be kept in a clean condition.

SCHEDULE

PART I.

1. Work at a furnace where the reduction or treatment of zinc or lead ores is carried on.

2. The manipulation, treatment, or reduction of ashes containing lead, the de-silverising of lead or melting of scrap lead or zinc.

3. The manufacture of solder or alloys containing more than 10 per cent of lead.

4. Manufacture of any oxide, carbonite, sulphate, chromate acetite, nitrate or silicate of lead.

5. Mixing or posting in connection with the manufacture or repair of electric accumulators.

6. The cleaning of work-rooms where any of the processes aforesaid are carried on.

PART II.

Any other operation involving the use of lead compound.

HOLIDAYS.

(*Section 35*).

Return of Holidays.

98. (1) Before the end of each calendar month, unless exempted, the manager of every factory shall deliver or cause to be delivered to the office of the Inspector of the area in which the factory is situate, a return giving notice of all the days on which the factory will be closed during the succeeding month.

(2) The return of holidays shall be delivered whether the factory is or is not working during the calendar month preceding the one to which the return relates; and if any change of date is subsequently made, notice shall be delivered to the office of the Inspector in accordance with Section 35.

99. The approved compensatory periods of rest shall be entered in Form 'B'.

NOTICES AND REGISTERS.

(*Sections 39, 41, 55 and 56*).

Form of notice of periods for work.

100. The notice of periods for work of workers shall be in the Form 'C' prescribed. The information required under Sections 39 and 55 shall be recorded separately.

Form or Register of workers.

101. The registers maintained under Sections 41 and 56 shall be in Form 'D'. These registers shall be written up afresh each year and shall always be available for inspections and be preserved for 12 months.

Form of abstract of Regulation and Rules.

102. The abstract of the Regulation and rules required by Section 76 to be affixed shall be in Form 'R' for non-seasonal factories and in Form 'S' for seasonal factories.

FORM R.

(*Rule 102.*)

ABSTRACT OF THE FACTORIES REGULATION AND RULES, 1936.

(To be fixed in a conspicuous place near the main entrance.)

NON-SEASONAL FACTORIES.

1. No adult worker shall be allowed to work in any factory for more than 10 hours in any day.

2. No adult worker shall be allowed to work in any non-continuous process factory for more than fifty-four hours in any week or for more than fifty-six hours in a continuous process factory.

3. No child shall be allowed to work in any factory for more than five hours in any day. (This also applies to adolescents who have not received a certificate of fitness to work as adults.)

4. Unless otherwise notified, no woman or child shall be allowed to work before or after the hours noted below. (Male adolescents may only be so employed if they are in possession of a certificate of fitness to work as an adult and either carry the certificate or a token giving reference to the certificate):—

From November 1st to March 31st inclusive.	Before 6-30 a.m. and after 7-30 p.m.
From April 1st to October 31st inclusive.	Before 6-00 a.m. and after 7-00 p.m.

5. There must be fixed for every worker on each working day :—

(*a*) either an interval for rest of at least one hour's duration before more than six hours' work; or

(*b*) an interval for rest of at least half an hour's duration before more than five hours' work; or two half hour intervals before more than eight and a half hours' work, and no period of work shall exceed five hours.

6. No worker shall be allowed to work in any factory on a Sunday, unless :—

(*a*) he has had, or will have, a holiday for a whole day on one of the three days immediately before or after that Sunday, and

(*b*) the manager of the factory has before that Sunday or the substituted day, whichever is earlier,

delivered notice to the Office of the Inspector of his intention to require the worker to work on the Sunday and of the day which is to be substituted, and displayed a notice to that effect in the factory:

Provided that no substitution shall be made which will result in any worker working for more than ten days consecutively without a holiday for a whole day.

7. The periods of work together with intervals for rest shall not spread over more than,—

(*a*) thirteen hours in any day for an adult;

(*b*) seven and a half hours in any day for a child.

8. No child or adolescent shall be allowed to work in any factory unless he is in possession of a certificate granted under section 52 (2) and while at work carries a token giving reference to the certificate. (An adolescent who has not been granted a certificate of fitness to work in a factory as an adult shall, notwithstanding his age, be deemed to be a child.)

9. No person shall employ or permit to be employed in any factory any child or, except in prescribed circumstances, any other worker whom he knows, or has reason to believe, to have already been employed on the same day in any other factory.

10. A register in Form 'D' must be kept for all workers employed in every factory unless the Government or the Inspector specially grants exemption from the maintenance of this register by written order.

11. The notice required by sections 39 and 55 shall be written in Form 'C' and shall be posted in a conspicuous place near the main entrance of the factory.

12. Every factory shall be suitably and sufficiently lighted by safe methods.

13. (*a*) In every factory, there shall be maintained a free, sufficient and suitable supply of drinking water;

(*b*) In every factory stores of first-aid appliances shall be maintained for the use and free treatment of injured persons;

(*c*) In factories in which workers come in contact with injurious or obnoxious substances suitable washing accommodation shall be maintained.

14. Every factory shall be provided with latrine accommodation. If females are employed, separate screened and marked latrines and urinals shall be provided.

15. Unless specially exempted, factories must be lime-washed each year and the date recorded in Form 'I.'

16. Any person who smokes or uses a naked light, or causes or permits any such light to be used, in the immediate vicinity of any inflammable material in contravention of section 66, shall be punishable with fine which may extend to five hundred rupees.

17. All accidents within the scope of section 30 must be reported as required by rules 76—81.

18. All structural collapses, the breakage of ropes, chains or other lifting gear, and fires in cotton openers, must be reported in accordance with rule 81, that is, whether injury is caused or not.

19. No woman, adolescent or child shall be employed on lead processes, save in accordance with the Hazardous Occupations (Lead) Rule 97.

20. *Exceptions.*—(*a*) Chapter IV does not apply to clerks, time-keepers or accountants or to persons included in the Schedule in Rule 105.

(*b*) Sections 34, 35, 36, 37, 38, 39 and 40 do not apply to any work or classes of persons to be specifically exempted by the Government under the provisions of section 43 (2) to the extent specified in Appendix.

(*c*) Sections 34, 35, 36, 37, 38, 39 and 40 do not apply to factories specifically exempted by the Government under the provisions of section 44 (2) to the extent to be noted in the exemption order.

(*d*) No woman, under any circumstances, shall be employed for more than ten hours in any one day.

21. All persons who exceed fifty-four hours' work a week but not more than sixty hours under any exemption granted in factories other than those employed on continuous production work for technical reasons and all persons who exceed fifty-six hours' work a week but not more than sixty hours employed on continuous production work for technical reasons, shall be paid for the overtime at a rate at least one and a quarter times the normal rate. All persons who exceed sixty hours of work a week as above, or exceed ten hours a day, shall be paid overtime at a rate of at least one and half times the normal rate.

Inspector of Factories.

FORM 'S.'

(*Rule 102.*)

ABSTRACT OF THE FACTORIES REGULATION AND RULES, 1936.

(To be fixed in a consepicuous place near the main entrance.)

SEASONAL FACTORIES.

1. (*a*) No male adult worker shall be allowed to work in any factory for more than eleven hours in any day.

(*b*) No female adult worker shall be allowed to work in any factory for more than ten hours in any day.

2. No adult worker shall be allowed to work in any factory for more than sixty hours in any week.

3. No child shall be allowed to work in any factory for more than five hours in any day. (This also applies to adolescents who have not received a certificate of fitness to work as adults.)

4. No woman or child shall be allowed to work before or after the hours noted below. (Male adolescents may only be so employed if they are in possession of a certificate of fitness to work as an adult and carry a token giving reference to the certificate):—

From November 1st to March 31st inclusive.	Before 6-30 A.M. and after 7-30 P.M.
From April 1st to October 31st inclusive.	Before 6 A.M. and after 7 P.M.

5. There must be fixed for every worker on each working day :—

(*a*) either an interval for rest of at least one hour's duration before more than six hours' work; or

(*b*) an interval for rest of at least half an hour's duration before more than five hours' work, or two half hour intervals before more than eight and a half hours' work and no period of work shall exceed five hours.

6. No worker shall be allowed to work in any factory on a Sunday, unless.—

(*a*) he has had, or will have, a holiday for a whole day on one of the three days immediately before or after that Sunday, and

(*b*) the manager of the factory has before that Sunday or the substituted day, whichever is earlier, delivered notice to the Office of the Inspector of his intention to require the worker to work on the Sunday and of the day which is to be substituted, and displayed a notice to that effect in the factory:

Provided that no substitution shall be made which will result in any worker working for more than ten days consecutively without a holiday for a whole day.

7. The periods of work together with intervals for rest shall not spread over more than—

(*a*) thirteen hours in any day for an adult,

(*b*) seven and a half hours in any day of a child.

8. No child or adolescent shall be allowed to work in any factory unless he is in possession of a certificate granted under Section 52 (2) and while at work carries a token giving reference to the certificate. (An adolescent who has not been granted a certificate of fitness to work in a factory as an adult, shall, notwithstanding his age, be deemed to be a child.)

9. No person shall employ or permit to be employed in any factory any child or, except in prescribed circumstances, any other worker whom he knows, or has reason to believe, to have already been employed on the same day in any other factory.

10. A register in Form 'D' must be kept for all workers employed in every factory, unless the Government or the Inspector specially grants exemption from the maintenance of this register by written order.

11. The notice required by Sections 39 and 55 shall be written in Form 'C' and shall be posted in a conspicuous place near the main entrance of the factory.

12. Every factory shall be suitably and sufficiently lighted by safe methods. Cotton ginning factories must not be lighted by lamps burning vapour under pressure and if candles are used they must be in satisfactory glass lanterns and at least one per two gins used.

13. (*a*) In every factory there shall be maintained a free, sufficient and suitable supply of drinking water;

(*b*) In every factory stores of first-aid appliances shall be maintained for the use and free treatment of injured persons;

(*c*) In factories in which workers come in contact with injurious or obnoxious substances suitable washing accommodation shall be maintained.

14. Every factory shall be provided with latrine accommodation. If females are employed, separate screened and marked latrines and urinals shall be provided.

15. Unless specially exempted, factories must be lime-washed each year and the date recorded in Form 'I'.

16. Any person who smokes or uses a naked light, or causes or permits any such light to be used, in the immediate vicinity of any inflammable material in contravention of Section 66 shall be punishable with fine which may extend to five hundred rupees.

17. All accidents within the scope of Section 30 must be reported as required by rules 76-81.

18. All structural collapses, the breakage of ropes, chains or other lifting gear, and fires in cotton openers must be reported in accordance with rule 81, that is, whether injury is caused or not.

19. *Exceptions.*—

(*a*) Chapter IV does not apply to clerks, time-keepers or accountants or to persons included in the Schedule in rule 105.

(*b*) Sections 34, 35, 36, 37, 38, 39 and 40 do not apply to any work or classes of persons to be specifically exempted by the Government under the provisions of Section 43 (2) to the extent specified in Appendix.

(*c*) Sections 34, 35, 36, 37, 38, 39 and 40 do not apply to factories specifically exempted by the Government under the provisions of Section 44 (2) to the extent to be noted in the exemption order.

(*d*) No woman, under, any circumstances, shall be employed for more than ten hours in any one day.

Inspector of Factories.

103. All Registers and Returns and Notices required to be maintained under the Regulation and Rules shall be maintained in English or in Kanarese.

The abstract of the Regulations and Rules shall be either in English or in Kanarese or in the language of the majority of the workers employed in the Factory.

104. The manager of every factory shall furnish to the Inspector on or before the 15th January in each year an annual return in duplicate in Form 'T' provided that in the case of the factory in which work is carried on only

in certain season or certain seasons of a year, the manager shall, if so required by the Inspector, submit the annual return within 15 days after the close of the season or of the last of three seasons, as the case may be. Government may dispense with this return in case of any class of factories or of the Factories in any particular area.

FORM 'T.'

(*Rule* 104.)

Year ending December 31, 19...

Name of Factory..... Season ending.....19...

Name of Occupier..... Name of Manager.....

1. District.....
2. Place.....
3. Nature of Industry.....
4. Average number of operatives employed daily. { Men..... Women..... Boys..... Girls.....
5. Average Normal hours worked per week. { Men..... Women..... Children.....
6. What intervals are given to adults ?
7. Are rest intervals given to children.....
8. Are work days sometimes substituted for Sundays as weekly holidays.....
9. Are the majority of operatives exempted from provisions of sections. 21..... 22..... 27..... 28.....

ADULTS EXEMPTED UNDER SECTION 43.

105. The following persons shall be deemed to hold positions of supervision or management :—

Persons defined to hold positions of supervision or management.

(*a*) All persons specified in the Schedule below.

(*b*) Any other person who, in the opinion of the Inspector, holds a position of supervision or management;

SCHEDULE.

List of Persons to hold positions of Supervision or Management in Factories.

I. All Factories.

Manager.
Assistant Manager.
Departmental Heads and Assistants.
Engineer and Certified Assistants.
Electrical Engineer.
Head Store-keeper and Assistants.
Boiler Chargeman.
Technical Experts.

II. Engineering Workshops.

Foremen.
Inspectors.
Chargemen.
Workshop Overseers.
(In addition to persons in the list "I. All Factories" above).

III. Spinning and Weaving Mills.

Engineering Department.

Foremen Mechanics.

Spinning Departments.

Jobbers.

(*Note.*—Spinning departments shall, for the purposes of this Rule, be deemed to include also the blowing, carding, drawing and frame departments.)

Weaving Departments.

Jobbers, Overseers.

(*Note.*—Weaving departments shall for the purposes of this Rule, be deemed to include the preparatory departments of winding, warping and sizing.)

Dyeing, Bleaching, Calendering, Finishing and Cloth Printing Departments.

Jobbers, Overseers.

(In addition to persons in the list "I. All Factories" above.)

Persons defined to hold confidential position.

106. All clerks and time-keepers employed in a factory within the meaning of clause (*h*) of Section 2 shall be demed to be employed in a confidential position in the factory.

List to be maintained of persons holding confidential position or position of supervision or management.

107. A list showing the names and designations of all persons to whom the provisions of sub-section (1) of Section 43 have been applied shall be maintained in every factory.

Overtime Limits and Payments for Exempted Workers.

(*Section 47.*)

108. The manager or occupier of every factory in which workers are exempted under section 43 or 44 from the provisions of section 34 or 36 shall keep a muster-roll in Form 'U' showing the normal piece work rate of pay, or the rate of pay per hour, or per day of nine hours in non-seasonal factories, or per week of fifty-four hours in non-seasonal factories other than those employed on continuous production work for technical reasons, or of fifty-six hours in non-seasonal factories employed on continuous production work, or of sixty hours in seasonal factories, of all exempted employees. In this muster-roll shall be correctly entered the overtime hours of work and payments therefor of all exempted workers. The muster-roll in Form 'U' shall always be available for inspection. Muster-roll for exempted factories.

FORM "U."

(*Rule 109.*)

Overtime Muster-roll for Workers on Exempted Work.

Month ending.....

Number in Register	Name	Department	Dates on which overtime has been worked	Extent of overtime on each occasion	Total overtime worked	Normal hours	Normal rates of pay	Overtime rate of pay	Normal earnings	Overtime earnings	Total earnings

109. Where women are exempted from the provisions of section 34, under the provisions of section 43, the total overtime permitted shall not exceed six hours during the week. Total overtime for women exempted from section 34.

110. Where male adult workers are exempted from the provisions of sections 34 and 36, the overtime permitted shall not exceed 12 hours in any one week. But nothing in this rule shall apply to work on urgent repairs carried out under the conditions laid down in item 1 of Appendix under Rule 106. Total overtime for male adult workers exempted from sections 34 and 36.

EMPLOYMENT OF MEN IN MORE THAN ONE FACTORY.

(*Section 48.*)

When employment of men in more than one factory may be sanctioned.

111. The Inspector may sanction the employment of adult workers in more than one factory on the same day if he is satisfied that such adult worker—

(*a*) is employed in accordance with section 34, and

(*b*) has the holiday prescribed by section 35.

Note of such employment to be made in register.

112. A note, under the initials of the Inspector, shall be made in the remarks column of the register against all adult workers permitted to work in more than one factory under rule 110. For the purpose of Register of workers under adults and adolescents and children, the Forms prescribed are 'V' and 'W' respectively.

FORM "V."

(*Rule 113.*)

REGISTER OF WORKERS.

Adults:—Part I ... Men. Name of Factory.....

" II .... Women. Postal Address.....

No.	Name	Father's name	Caste or religion	Nature of work	Hours of work/Days of week*					Remarks
					I period From To	II period From To	III period From To	I period From To	Total weekly hours	

*Days of week represent Sunday, Monday—Saturday.

FORM 'W.'

(*Rule 113.*)

REGISTER OF WORKERS.

Adolescents :—Part III ... Males.
" IV ... Females.
Children :—Part V ... Boys. Name of Factory.....
" VI ... Girls. Postal Address.....

Number	Name	Father's name	Caste or religion	Nature of occupation	Hours of work/days of the week			Total weekly hours	Provisional Certificate		Certifying Surgeon's Certificate		Remarks
					I Period From To	II Period From To	Days of week		No.	Date	No.	Date	

EMPLOYMENT OF ADOLESCENTS AND CHILDREN.

(*Sections 51, 53, and 59.*)

113. The token which a child or adolescent at work wears under Section 51 shall have the number of the child or adolescent in the Register stamped upon it.

Token of child and adolescent to bear numbers.

ADULT WORKERS EXEMPTED UNDER SECTION 43 (2), (3) AND (4) FROM CERTAIN RESTRICTIONS ON WORKING HOURS.

Rule 114.—Adult workers engaged in factories specified in Column 2 of the Appendix on the work specified in Column 3 of the said Appendix shall be exempt from the provisions of the sections specified in Column 4, subject to the conditions specified in Column 5 of the said Appendix.

Exemption of certain adult workers.

APPENDIX.

(RULE 114.)

Adult workers exempted from certain restrictions on working hours.

Section of the Regulation empowering grant of exemption	Class of Factory	Nature of exempted work	Extent of exemption	Conditions
43 (2) (a) and 43 (3).	1. All factories ...	Urgent repairs ...	Sections 34, 35, 36, 37, 38, 39 and 40.	Unless the Inspector gives permission in writing for reporting, otherwise than as herein laid down, the employment of persons on urgent repairs, the manager— (i) shall send within twenty-four hours of the commencement of work on urgent repairs, written notice to the Inspector describing briefly the nature of the urgent repairs and the probable period of their duration; and (ii) shall send weekly during the continuance of the work on urgent repairs, a statement giving the names of all persons who have worked for more than ten hours on any day or more than fifty-four hours of the preceding week in a non-seasonal factory or more than sixty hours of the preceding week in a seasonal factory, showing the total number of hours worked each day in the week.
43 (2) (h) ...	2. All non-seasonal factories other than those on continuous processes.	(i) Work performed by engine drivers.	Section 35 ...	(a) Such workers shall receive two holidays in each period covered by four consecutive statutory factory holidays and shall not be allowed to work for more than six hours on the other two weekly holidays. (b) The notice required by Section 35 must be delivered to the Office of the Inspector showing on which days holidays will be observed.
Do ...	...	(ii) Work performed by ordinary firemen working with one working boiler and work performed by all engine boilers.	Do ...	(a) Such workers shall receive two holidays in each period covered by four consecutive statutory holidays. (This exemption shall not apply to firemen working in factories with two or more working boilers nor to coal breakers nor coal carriers.) (b) The notice required by Section 35 must be delivered to the Office of the Inspector showing on which days holidays will be observed.

43 (2) (h) ...	3. All seasonal factories other than those employed on continuous processes.	Work performed by all workers in the engine room and boiler house.	Section 35 ...	No worker shall be allowed to work more than six hours on the weekly holidays.
43 (2) (b) and 43 (3).	4. All factories other than those employed on continuous processes.	Work performed by workers employed in the engine room or boiler house. (See also No. 1 above.)	Sections 34, 36, 37 and 38 and from Sections 39 and 40; provided the register or muster-roll required by Section 41 is maintained up-to-date and correctly giving the particulars of periods within which such workers may be required to work.	(a) The intervals for food and rest shall be given to all workers allowed to work on such work; (b) No worker shall be allowed to work for more than sixty hours of any one week in a non-seasonal factory or for more than sixty-six hours of any one week in a seasonal factory; (c) No worker shall be allowed to work more than— (i) eleven hours in any one day in factories which work main machinery nine hours a day; (ii) twelve hours in any one day in non-seasonal factories which work main machinery ten hours a day or for more than six hours on the day on which such factories work machinery only four hours; (iii) thirteen hours in seasonal factories working main machinery eleven hours a day or for more than seven hours on the day when such factories work machinery five hours or less; (iv) twelve hours in seasonal factories working main machinery ten hours a day; (d) no woman shall be allowed to work for more than ten hours a day; (e) in seasonal factories which work main machinery eleven hours a day no worker shall be allowed to work in such a manner that the spread over exceeds fourteen hours in any one day. NOTE.—Workers in other factories are not exempted from Section 38.
43 (2) (b) and 43 (3).	5. All factories other than those employed on continuous processes.	Work performed by night firemen during periods when the main departments of the factory are not working.	Sections 34, 36, 37 and 38 and from Sections 39 and 40; provided the "spread over" does not exceed fourteen hours and is shown correctly in the D. Register or muster-roll required by Section 41.	No worker shall be allowed to work for more than sixty-six hours in any one week in a non-seasonal factory, or for more than seventy-two hours in any one week in a seasonal factory.

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Adult workers exempted from certain restrictions on working hours—*contd.*

Section of the Regulation empowering grant of exemption	Class of Factory	Nature of exempted work	Extent of exemption	Conditions
43 (2) (c) and 43 (3).	6. All non-seasonal factories.	Work performed by drivers on lighting, ventilating and humidifying apparatus.	Sections 34, 36 and 37 and from Sections 39 and 40; provided the register or muster-roll required by Section 41 is maintained up to date and correctly giving particulars of periods within which such workers may be required to work.	No worker shall be allowed to work more than— (a) twelve hours in any one day; (b) sixty-six hours in any one week; (c) intervals for food and rest shall be given to all such workers.
43 (2) (c) ...	7. (i) Cotton spinning and weaving mills.	Work performed by fire pumpmen.	Sections 34, 36 and 37 and from 39 and 40; provided the register and muster-roll required by Section 41 is maintained up-to-date and correctly giving particulars of periods within which such workers may be required to work.	No worker shall be allowed to work for more than 66 hours in any one week.
43 (2) (b) ...	(ii) Cotton spinning and weaving mills.	Work involved in cleaning blow room flues.	Sections 34 36 and 38 ...	(a) No worker shall be allowed to work for more than 57 hours in any one week; (b) the spread over shall not exceed 14 hours in any one day.
Do ...	8. Dyeing and bleaching factories or departments.	Work performed by Firemen.	Sections 34, 36 and 37 ...	(i) No worker shall be allowed to work for more than 66 hours in any one week. (ii) No worker shall be allowed to work more than— (a) eleven hours in any one day in factories which work machinery 9 hours a day; or (b) twelve hours in any one day in factories which work machinery 10 hours a day or more than 6 on days when main machinery works four hours. (iii) the intervals for rest and food totalling one hour shall be given every day and the register or muster-roll maintained in accordance with Section 41 shall show correctly the periods of work of each worker.
43 (2) (d) ...	9. Cloth printing, bleaching and dyeing factories or departments.	All work ...	Section 37 ...	.....

43 2) (c) and 43 (3)	10. (i) All factories other than cotton spinning and weaving mills.	Work performed by fire pumpmen.	Sections, 34, 36 and 37 and from Sections 39 and 40 provided the register or muster-roll required by Section 41 is maintained up-to-date and correctly giving particulars of periods with which such workers may be required to work.	No worker shall be allowed to work for more than— (i) 66 hours in any one week in a non-seasonal factory; or (ii) 72 hours in any one week in a seasonal factory.
43 (2) (b) ...	(ii) All factories other than cotton spinning and weaving mills.	(a) Work performed by oilers, and (b) Work in mechanic shops, smithies or foundries so far as such work is complementary to the main operations.	Sections 34 and 36 ..	No worker shall be allowed to work— (a) in a seasonal factory more than 72 hours in any one week or for more than 12 hours in any one day; (b) in a non-seasonal factory more than 66 hours in any one week or for more than 12 hours in any one day. Provided that this exemption shall not apply— (i) in the case of work performed by oilers, where these workers or the factories in which they work have been exempted from the provisions of Section 35 or 37; and (ii) to the work in the mechanic shop, smithy or foundry portion of engineering workshops or to a smithy or foundry used solely as such.
43 (2) (b) and 43 (3)	11. Oil tank installations.	Work performed by workers in connection with pumping operations.	Sections 34, 35, 36, 37 and 38 and from compliance with Sections 39 and 40 during the continuation of pumping operations, in respect of such workers.	(a) Sufficient intervals for rest and food are given. (b) No worker is allowed to work more than 66 hours in any one week. (c) A compensatory rest period of at least twenty-four consecutive hours is given to each worker after the cessation of the pumping operations. (d) Notice of such pumping operations with the number of workers allowed to work shall be sent to the Inspector as soon as possible after commencement of such work.
43 (2) (d) ...	12. Hydro-electric public supply factories.	Operations and maintenance of prime movers and auxiliaries, transformers and switches.	Sections 35, 36 and 37 ...	(a) The workers engaged on continuous processes shall ordinarily work on 8 hour shifts. (b) Each worker shall have a rest period of at least 24 hours duration on an average once per fortnight and as far as possible on every fourteenth day except where temporary difficulties prevent it.

Adult workers exempted from certain restrictions on working hours—*contd.*

Section of the Act empowering grant of exemption	Class of Factory	Nature of exempted work	Extent of exemption	Conditions
43 (2) (d) ...	13. Public electric supply companies generating electricity from oil in internal combustion engines.	The work of engine drivers and assistants, generator attendants, oilers and greasers, switch board operators and pumpmen.	Sections 35, 36 and 37 ...	(a) The workers engaged on continuous processes shall ordinarily work on 8 hour shifts. (b) Each worker shall have a rest period of at least 24 hours duration on an average once per fortnight and as far as possible on every fourteenth day except where temporary difficulties prevent it.
Do ...	14. Public electricity supply companies generating electricity from oil or coal fired boilers.	The work of the firemen and assistants, engine or turbine drivers and assistants, generator attendants, oilers, pumpmen and switch board operators.	Do ...	Do do
Do ...	15. Electrical transforming factories.	The work, *viz.*, operation and maintenance of the transforming plant, switches and synchronous condensers.	Do ...	Do do
Do ...	16. Distilleries ...	Work on the extraction of sugar from various bases, fermentation of sugar juice and distillation of fermented wash.	Do ...	(a) The workers engaged on continuous processes shall ordinarily work on eight-hour shifts. (b) Each worker shall receive a rest period of at least 24 consecutive hours in at least each 14 days.
Do ...	17. Sugar factories ...	Extraction of the juice from the cane, clarification, evaporation and boiling of the juice. Curing of the massecuite. Bagging.	Do ...	As in exemption No. 16.

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43 (2) (d) ...	18. Chemical factories	Work on the sulphur burners, chambers, concentrators, and pumps; the manufacture of hydrochloric and nitric acid, sulphates, sulphides, nitrates and superphosphates. Work on the steam service.	Secs. 35, 36 and 37 ...	As in exemption No. 16.
Do ...	19. Vegetable oil hydrogenation factories.	The work, *viz.*, refineing, bleaching, filtering, Hydrogenating and Deodorising processes and also the compression of Oxygen and the filling of Cylinders.	Do ...	Do
Do ...	20. Magnesium Chloride factories.	The work on concentrating process.	Do ...	Do
Do ...	21. Municipal Pumping and Compressor Stations.	All work ..	Do ...	Do
Do ...	22. Train Gas lighting factories of Railways.	Do ...	Do ...	Do
Do ...	23. Water supply pumping Factories of Railway Workshops.	Do ...	Do ...	Do
Do ...	24. Lac Factories ...	Work of the Engine and Compressor Drivers and assistants and others.	Do ...	Do
Do ...	25. Carbonic Acid Gas works.	Work of Firemen, Pumpmen, Plant Drivers, Oilers and the filling of cylinders.	Do ...	Do
Do ...	26. Oxygen Factories...	Engine and Plant Drivers, Oilers and the filling of Cylinders.	Do ...	Do
Do ...	27. The Silver refineries.	All work ...	Do ...	Do

Adult workers exempted from certain restrictions on working hours—*concld.*

Section of the Act empowering grant of exemption	Class of Factory	Nature of exempted work	Extent of exemption	Conditions
43 (2) (d) ...	28. Coal Gas Factories.	All work in the retort house and the watergas plant. Work of the yard labour staff in the unloading coal feeding hoppers and removing coke. Work on the Syphon, Boilers Station meters and Governers.	Secs. 35, 36 and 37 ...	Conditions (a) and (b) to exemption No. 16 and (c) the exemption for the yard labour staff shall be limited to male adults only, who shall, as far as possible, receive compensatory Holidays.
Do ...	29. Oil Mills (Working on three 8-hour shift system).	All work ...	Secs. 36 and 37 ...	Workers shall ordinarily be allowed to work on 8-hour shifts
Do ...	30. Oil Mills (Working on the two shift or single shift system).	Do ...	Sec. 37 ...	.....
Do ...	31. (i) Flour Mills ...	Do ...	Do ...	.....
43 (2) (b) ...	(ii) do ...	Cleaning and overhauling and repairing of flour Mill Machinery.	Sec. 34 ...	No worker is allowed to work more than 6 hours in a week on this work and that no worker shall be engaged thereon who has worked on a night shift in the previous week.
Do ...	32. (i) Gur Factories ...	The work performed by workers in crushing sugar canes.	Secs. 34 and 37 ...	No worker shall be allowed to work more than 66 hours in any one week.
43 (2) (c) and 44 (1)	(ii) do ...	All other work except in crushing sugarcane.	Secs. 34, 36, 37, 39, 40 and 41.	A notice showing the hours of work of the crusher shall be exhibited in the Factory and a copy sent to the Inspector.
43 (2) (d) ...	33. Cement Tile Factories.	Work on the curing of Tiles.	Section 35 ...	(a) No worker is allowed to work for more than 4 hours on the weekly holiday. (b) Do do on consecutive weekly holidays. (c) Do do for more than 56 hours in any one week.
Do ...	34. Glass Factories ...	Work in attending to furnace.	Sections 35 and 37 ...	.....
		All work and processes from mixing of batch to removal of the manufactured glassware from the lears.	Section 35 ...	(a) No worker is allowed to work more than six hours on the weekly holiday. Conditions (b) and (c) to exemption No. 33.

NOTE.—The attention of Managers of all factories is drawn to Section 47 and Rule 107 regarding payments for overtime work of exempted workers.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1113—R. T. 6-38-3, dated Bangalore, the 18th October 1938.

In exercise of the powers conferred on them by Section 22 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to exempt from payment of tolls at the Nandi Hill Toll-gate, the Motor Cars belonging to the following officers while travelling on duty within their jurisdiction :—

(1) The Superintendent, Government Gardens in Mysore, Bangalore.

(2) The Officers and Subordinates of the Electrical Department below the rank and status of the Superintendents of the Department.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. Fl. 2370—*Ex.* 61-37, *dated* 25*th October* 1938.

In exercise of the powers conferred by clause (i) of Sub-section (2) and Sub-section (3) of Section 17 of the Matches (Excise Duty) Act 1934 (III of 1934), the Government of His Highness the Maharaja of Mysore are pleased to make the following rules, namely :—

I. Any officer duly empowered under Clause 32 of Matches (Excise Duty) Act 1934, to search any place, vessel, cart or means of conveyance for matches liable to duty, may—

(i) enter and search at any time by day or by night any land, building, enclosed place, premises, vessel, conveyance or other place upon or in which he has reason to believe that matches, splints or veneers are manufactured, stored or carried ; and

(ii) in case of resistance break open any door and remove any other obstacle to his entry upon or into and search of such land, building, enclosed place, premises, vessel, conveyance or other place.

II. Every search under these rules shall be carried out so far as may be in accordance with the provisions of Section 103 of the Code of Criminal Procedure, 1898 (Act V of 1898).

III. (i) Any such officer may require any person who has the immediate possession, control or use of any land, building, enclosed place, premises, vessel, conveyance or other place which he desires to search under these rules, or of any matches, splints or veneers manufactured, stored or carried or believed by him to be manufactured, stored or carried thereupon or therein, to open or allow access to, inspect or examine such place or conveyance or to open, unload, unpack or allow the inspection or examination of such articles.

(ii) If the said person fails to comply with any such requirement, such officer may cause anything to be done which he may deem necessary in order to exercise his powers under these rules in a proper manner, and the cost incurred in this behalf, unless paid to such officer, shall be recoverable from the said person as an arrear of land revenue.

IV. Whoever fails to comply with any lawful requirement of an officer made under these rules shall, on conviction, be punishable with imprisonment for any term not exceeding six months or with fine not exceeding one thousand rupees, or with both.

No. Fl. 237d—Ex. 61-37, dated 25th October 1938.

In exercise of the powers conferred by section 17 of the Matches (Excise Duty) Act, 1934 (III of 1934), the Government of His Highness the Maharaja of Mysore are pleased to make certain rules for the purpose of regulating the issue of matches out of the premises of a manufactory situated in the State of Mysore.

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

CHAPTER I.

1. *Short title, commencement and definitions.*—(1) These rules may be called "The Mysore Matches (Excise Duty) Supplementary Rules, 1938."

(2) They shall come into force on the first day of the month following the month in which these rules are published.

2. In these rules unless there is anything repugnant in the subject or context—

(i) "the Act" means the Matches (Excise Duty) Act, 1934 (III of 1934);

(ii) "the Rules" means the Matches (Excise Duty) Rules, 1934;

(iii) "Deputy Commissioner" means the Chief Officer in charge of the Revenue Administration of a district and includes any officer specially authorized to exercise throughout any specified area all or any of the powers of a Deputy Commissioner under these rules.

(iv) "Inspector" means the Inspector of the Excise Department in charge of a Range in which the manufactory is situated;

(v) "Supervising Officer" means an officer appointed by the Deputy Commissioner to exercise the powers and perform the duties of Supervising Officer under these rules;

(vi) "Peon" means a subordinate of the Mysore Excise Department appointed to guard the premises and to prevent the removal of splints, veneers, matches and banderols contrary to these rules;

(vii) "Form" means a form set out in the schedule appended to these rules;

Provided that "Form A" and "Form B" shall mean Form A and Form B appended to these rules;

(viii) "Bonded warehouse" means a compartment or room of the manufactory or a separate place where finished matches are stored pending their removal for consumption subject to the payment of duty under clause 8 of Chapter II or clause 39 or clause 44 of Chapter VI of the rules;

(ix) "Booklet" means a folding or collapsible packet in the form of a book containing matches;

(x) "Case" means a packed box containing a number of gross packets of boxes or booklets containing matches;

(xi) "Duty" means the duty payable under the Act;

(xii) "License" means a license in Form A granted for the manufacture of matches under clause 3 of the rules;

(xiii) "Licensee" means any person, firm or company, holding a license in Form A and includes any agent or other person acting on his or its behalf;

(xiv) "Manufacturing or finishing room" means a room or rooms or a compartment or compartments set apart in the manufactory where matches in the finishing or finished stage, before banderols are affixed to them, are stored during the absence of the Supervising Officer or at such other times as may be necessary to prevent the illicit removal of matches from the manufactory;

(xv) "Manufactory" means a manufactory as defined in the Act, working under a license in Form A appended to the rules and under bonded control and

subject to the supervision of the Mysore Excise Department.

(xvi) "Packet" means a packed or wrapped parcel containing a number of gross of boxes or booklets with matches;

(xvii) "Premises" means the premises of the manufactory described in the schedule attached to the license in Form A appended to the rules and includes the bonded warehouse.

CHAPTER II.

3. (1) *Issue of license and licensed premises.*—An owner of a manufactory who intends to apply for or has obtained a license under section 9 of the Act shall apply to the Deputy Commissioner for the appointment of a bonded warehouse or warehouses wherein the matches manufactured on the licensed premises shall be stored for issue.

(2) The Deputy Commissioner shall on receipt of such application cause enquiries to be made regarding the suitability or otherwise of a godown or other premises for use as a bonded warehouse and on being satisfied that it is suitable, appoint such godown or other premises, as the case may be, as a bonded warehouse.

4. The dipping room where dipped splints in frames are allowed to dry, if this process is not conducted in the manufactory or finishing room, and the place set aside as a bonded warehouse, shall be approved by the Deputy Commissioner before they are used as such. The dipping room as well as the bonded warehouse shall be secured with a strong Government lock, the key of which shall be in the custody of the Surpervising Officer and the rooms shall be opened as and when required for transactions. These rooms may also be secured by locks of the licensee provided that he shall remove the locks and open the rooms as and when required by the Supervising Officer or any other Inspecting Officer, at any time during day or night.

5. Every manufactory and the bonded warehouse attached to it shall be closed on 'close holidays' and shall be open on other days, only during such hours and under such conditions as may be fixed by the Deputy

Commissioner. It will however be open to the Deputy Commissioner to permit work or transactions in the manufactory or bonded warehouse outside the regular working hours of the factory or on close holidays, subject to the payment of overtime fees at such rates as may be fixed by the Deputy Commissioner, by special or general order or rule made under any provision contained in these rules.

Explanation.—"Close holidays" means Sundays, New Year's day, Good Friday, the King Emperor's Birthday, His Highness the Maharaja's Birthday and Christmas Day.

6. Subject to the conditions in clauses 4 and 5, the lock on the bonded warehouse shall be removed only for receipts and issues, inspection by an inspecting officer, and for any other purposes which may be permitted by the Deputy Commissioner. The lock shall be put on immediately after the purpose for which the warehouse was opened, is accomplished.

7. The entrance to every manufactory or finishing room shall be secured with a strong Government lock when there are no transactions, if so required by the Deputy Commissioner and not otherwise; and if the licensee so desires, the entrance may also be secured with his lock. The key of the Government lock shall be in the custody of the Supervising Officer. The licensee shall remove his lock as and when required by the Supervising Officer.

CHAPTER III.

8. *Banderols.*—All the banderols supplied by the Treasury Officer, whether for cash or on credit, shall be delivered to the licensee or his agent, sealed with the Treasury seal and the licensee or his agent shall take delivery of the banderols and hand them over to the Supervising Officer who shall deposit them in the bonded warehouse or a room specially set apart for the storage of banderols, and enter the receipt in Form M. E. 1. The licensee or his agent may obtain banderols from the Supervising Officer as and when they are required, during the working hours of the manufactory.

9. (1) When the licensee desires to purchase banderols for cash, he shall present to the Treasury Officer an

indent in Form M. E. 7, countersigned by the Supervising Officer, and a challan in triplicate, containing particulars of the number and class of banderols required and the cost price of the number of each class, less rebate if any, allowed on a rebate certificate. The Treasury Officer after complying with the indent shall retain the original of the challan with him, hand over the duplicate to the licensee, and send the triplicate to the Supervising Officer who shall file it in support of the entry of receipt in the M. E. 1. register, after sending copies to the Inspector and Deputy Commissioner.

(2) When the licensee desires to purchase banderols on credit subject to the condition in clause 10 he shall present a requisition in Form M. E. 8 to the Supervising Officer who, after scrutinising the requirements in detail, with reference to the security furnished as required by clause 10 and the balance of credit outstanding against him, shall pass the indent for supply to such extent as may be permissible under clause 11 and give it to the licensee who shall present it to the Treasury Officer. The Treasury Officer shall after complying with the requisition, whether in whole or in part, advise the Supervising Officer as to the number and class of banderols issued and the cost price to be recovered from the licensee. The Supervising Officer shall file the advice in token of entry of receipt of the banderols in the M. E. 1. register, after sending copies to the Inspector and Deputy Commissioner.

10. A licensee who desires to obtain banderols on credit under clause 46 of the rules shall execute a trust receipt and furnish to the Deputy Commissioner a security bond in such form as may be prescribed by the Deputy Commissioner for adoption, either generally or in the particular case, to the satisfaction of the Deputy Commissioner.

Provided that if the licensee is unable to furnish sureties to the satisfaction of the Deputy Commissioner he shall deposit with the Deputy Commissioner cash, Government Promissory Notes, Savings Bank Deposit endorsed to the Deputy Commissioner or Post Office Cash Certificates of sufficient value, or mortgage to Government the match factory and plant and all accessories therein, to cover the value of the banderols to be supplied on credit from time to time. If the estimated value of the manufactory with its plant and all its accessories is not sufficient

to cover the value of the banderols required on credit, the licensee shall, in addition to the mortgage of the manufactory and its plant and accessories, furnish sureties or security as aforesaid, for such amount as may be fixed by the Deputy Commissioner. In the case of deposit of Government Promissory Notes, the face value thereof shall exceed, by not less than 10 per cent, the value of banderols to be supplied from time to time.

11. The Deputy Commissioner shall, after the conditions in clause 10 have been complied with, authorize the sale of banderols on credit to the licensee and communicate to the Treasury Officer and the Supervising Officer full particulars of the securities deposited, and the extent of credit granted. The cost of banderols sold on credit excluding the cost of banderols affixed to boxes kept in the bonded warehouse shall not at any time exceed the amount of security furnished by him. The number of banderols to be supplied at a time shall not exceed the average output of the manufactory for one week if the licensee applies for banderols once a week or for three days if he applies twice a week and for two daysi f he applies three times a week. The supply of banderols on credit shall not be made oftener than three times a week.

12. The Treasury Officer shall for the first time when banderols are issued on credit, advise the Supervising Officer of the number and class of banderols issued on credit, and their cost price, and thereafter the Treasury Office shall advise the Supervising Officer from time to time, of the amounts paid by the licensee towards the cost of the banderols, and the number and class of banderols issued on credit and their cost price.

13. (1) The licensee shall submit to the Inspector through the Supervising Officer on or before the 5th day of each month a statement, for the preceding month showing—

(*i*) the number of banderols in hand on the first day of the month;

(*ii*) the number received during the month;

(*iii*) the number used during the month;

(*iv*) the number rendered unserviceable, and

(*v*) the balance on hand on the last day of the month.

The Inspector shall forward the statements to the Deputy Commissioner after taking necessary extracts.

(2) Separate statements shall be submitted for banderols purchased for cash and for those purchased on credit.

14. Banderols purchased for cash and those purchased on credit shall be kept in separate lots in the bonded warehouse or any other room set apart for the purpose, which shall be secured by a strong Government lock, the key of which shall be in the custody of the Supervising Officer. The packets containing banderols purchased on credit shall be marked by the Supervising Officer in red with the letters "Credit." The banderols shall be accounted for separately in the M. E. 1 register both by the Supervising Officer and by the licensee.

15. The licensee shall deliver to the custody of the Supervising Officer from day to day, such of the banderols as have become unserviceable before they have been affixed to boxes or booklets. The Supervising Officer shall make immediate enquiries into the matter and on being satisfied that the banderols in question have not been used previously on a box or booklet which has been issued from any manufactory and that the figure '1', '2', '4', '6' or '8' occurring in the figures '12', '20', '40', '60', or '80' printed on the banderols to indicate the class thereof, has not been damaged or torn, take them over from the licensee, deposit them in the bonded warehouse or room set apart for the storage of banderols and make a note of the receipt of such banderols in the remarks column of the M. E. 1 register against the date. If the figure '1', '2', '4', '6' or '8' aforesaid is defaced or torn, the Supervising Officer shall not accept delivery of the banderols and the licensee shall be liable to pay the full price thereof.

16. Banderols, whether purchased for cash or on credit, which have become unserviceable before being affixed to boxes or booklets, shall be produced once a month, together with a certificate of the Supervising Officer that they have not been previously used, before the Inspector who after examining the banderols, shall forward the refund application to the (1) Deputy Commissioner with his remarks. The (2) Deputy Commissioner will after further scrutiny pass orders on the application of the licensee, for the refund of the cost price of the banderols produced. Similarly, an application for the refund of the cost price of banderols on boxes of matches

which have been destroyed as unserviceable within the factory under the orders of the (3) Deputy Commissioner shall be supported by a certificate of the Supervising Officer that the matches have been destroyed. If the (4) Deputy Commissioner sanctions the refund, the licensee may produce the refund voucher at the Treasury aud receive payment or allow the amount to be set off against the cost of banderols purchased by him.

In the case of banderols purchased on credit the refund of the cost price shall be sanctioned only after the cost of the banderols used in the month has been remitted into the Treasury.

CHAPTER IV.

17. *Transfer of matches from the finishing room of the manufactory to the bonded warehouse.*—The packing of matches into boxes or booklets and the affixture of banderols thereto, shall be done only during such hours and under such conditions as may be fixed by the Deputy Commissioner under clause 5. The packing of boxes or booklets into packets and of packets into cases shall be done only in the finishing room and in the presence of the Supervising Officer, after the boxes or booklets have been banderolled in accordance with the Act and the rules.

18. The Supervising Officer shall see that the banderols are properly affixed to boxes or booklets so that they cannot be opened without tearing the banderols, and check the contents of each case, package or packet and the number of matches contained in at least one box in every 10 gross of boxes before they are banderolled

19. No packet or case containing boxef or booklets of matches shall be closed and reckoned as a unit except when a banderol of the appropriate class has been affixed to each box or booxlet in the manner laid down in Chapter VI of the rules and in aceordance with the Government Notification No. D. 1393-I & C 265-33-33, dated 25th August 1934.

20. After each case, or packet is closed, the Supervising Officer shall endorse or impress thereon with a rubber stamp the word 'checked' and sign and date the same to obviate the necessity of the case, or packet being re-opened and examined in the bonded warehouse.

21. Each case, or packet shall contain only an integral number (whether one or more than one) of gross boxes or booklets of matches. The boxes or booklets in each case or packet shall contain the same number of matches on the average and shall, except in the case of matches exempted from being issued in boxes or booklets bearing banderols, have affixed thereto banderols of the same class.

22. Cases, or packets of each class of matches shall bear separate consecutive numbers and shall specify the number of gross boxes in each.

Cases, or packets containing boxes or booklets of classes 1, 2, 3, 4 or 5 as specified in clause 40 (2) of the rules shall be distinguished by the letters 'A', 'B,' 'C', 'D' and 'E', respectively.

23. All boxes or booklets containing matches intended for export and on which no banderols have been affixed, and all loose matches to be exported, shall, before they are removed to the bonded warehouse, be packed into cases, or packets on which shall be pasted labels bearing the inscription "UNBANDEROLLED MATCHES FOR EXPORT."

24. No case, packet, box or booklet, containing matches and no loose matches shall be removed to the bonded warehouse except with the permission of the Supervising Officer. Before removal to the bonded warehouse, the licensee shall present an application in Form M. E. 3-A in duplicate to the Supervising Officer. Every such application shall be numbered consecutively. When a case, packet, box or booklet, or any loose matches are removed to the bonded warehouse, the Supervising Officer and the licensee shall each enter the quantity of matches removed in the register in Form M. E. 2.

25. *Storage into the bonded warehouse.*—On the arrival of any cases, packets, boxes or booklets containing matches, at the bonded warehouse the Supervising Officer shall, after verifying the particulars mentioned in the application, make the necessary entries in Form M. E. 4. In one of the copies of the application in Form M. E. 3-A, he shall endorse the word 'Received,' sign and date the endorsement and deliver it to the licensee; in the duplicate copy, he shall endorse the words 'Taken into account,' sign and date the endorsement and file it. The licensee

shall make similar entries in the register in Form M. E. 4 to be maintained by him.

26. In case of doubt as to the affixture of banderols to boxes or booklets containing matches, or the number of matches contained in a box or booklet, or the number of boxes or booklets contained in a gross, or the number of gross boxes or booklets in a case, or packet, the Supervising Officer shall require the licensee to open the case, packet, box or booklet, and examine it in the presence of the licensee or any authorized agent or servant acting on his behalf. If the Supervising Officer finds any discrepancy between the actual contents of a case, packet, box or booklet and the details as entered in the application, he shall seal the case, packet, box or booklet with his private seal, retain the case, packet, box or booklet in the bonded warehouse and submit a report on the matter to the Inspector. The Inspector after due investigation, shall take such action as may be necessary under the Act or the rules.

27. Separate compartments or separate divisions in the same compartment shall be allotted in the bonded warehouse for—

(1) cases, or packets containing boxes or booklets of matches on which banderols purchased for cash have been affixed;

(2) cases, or packets containing boxes or booklets of maches on which banderols purchased on credit have been affixed; and

(3) cases, or packets of unbanderolled matches intended for export.

The cases, or packets containing boxes or booklets of matches of each class shall be stored separately, and cases or packets of different sizes shall be stocked according to the average number of gross boxes or booklets in each, so as to facilitate inspection and check at, and issue from, the bonded warehouse.

28. The removal of matches from the bonded warehouse to the manufactory or finishing room for reconditioning shall be under bond and under the supervision of the Supervising Officer provided that the licensee shall not claim a refund of the cost of banderols affixed to the boxes or booklets which must necessarily be destroyed in opening the boxes or booklets. When matches are removed from the bonded warehouse to be reconditioned, the quantity removed shall be entered as an issue in the

appropriate column of the M.E. 4 register with the remark that the matches have been issued to be reconditioned.

CHAPTER V.

29. *Issue of matches from the bonded warehouse.*—No matches shall be issued out of the bonded warehouse except in accordance with the provisions of these rules or otherwise than under a permit issued by the Supervising Officer.

30. *Banderolled matches.*—Every application for a permit under clause 32 shall be in Form M.E. 3-B, in duplicate and shall be presented to the Supervising Officer at least one hour before the time fixed for the removal of the matches. Every such application shall be accompanied by a treasury receipt for the value of the banderols purchased.

31. (1) When the treasury receipt produced shows payment for a greater number of banderols than that required for the boxes or booklets of matches contained in the cases, or packets removed, the Supervising Officer shall endorse on the obverse of the Treasury receipt—

(*a*) the serial number of the cases, and packets removed, and the date of their removal;

(*b*) the average number of matches contained in each box or booklet; and

(*c*) the number and class of banderols used for the matches removed.

The Supervising Officer shall make a similar endorsement on the Treasury receipt from time to time until all the banderols paid for under the Treasury receipt have been affixed to boxes or booklets of matches contained in the cases, or packets and such cases, or packets have been removed from the bonded warehouse.

(2) The Treasury receipt shall be despatched to the Deputy Commissioner through the Inspector with a copy of the application in Form M.E. 3-B and the permit delivered at the gate on the date of issue, provided that when the banderols used for the matches removed are less than the number of banderols for which a Treasury receipt has been obtained, the receipt need not be despatched to the Deputy Commissioner but an intimation in Form

M. E. 6 shall be sent to him of the quantity of matches actually removed and the number and date of the Treasury receipt in which the banderols have been paid for.

32. (1) On receipt of an application in Form M.E. 3-B referred to in clause 30 the Supervising Officer shall issue a permit in Form M.E. 5.

(2) The permit in Form M.E. 5 shall be in triplicate, the original shall be retained by the Supervising Officer, the duplicate shall accompany the consignment to be delivered to the peon on guard at the gate, and the triplicate shall be delivered to the licensee to be sent with the consignment of matches to the destination.

(3) The peon on guard at the gate shall detain the consignment and after satisfying himself that the number of cases, or packets in the consignment is the same as that entered in the permit, allow it to pass through the gate. He shall return the duplicate copy of the permit to the Supervising Officer, endorsed by him in token of his having checked and passed the consignment If the peon on guard finds that there is any difference between the number of cases or packets of matches in the consignment or the number of packets in each case as marked on it and the number shown in the permit, he shall not allow the consignment to pass through the gate but shall detain it and report the matter to the Supervising Officer who shall thereupon immediately check the consignments, and in the event of his finding any case, or packet, or cases or packets in excess, take such action as is prescribed under the Act or the rules or obtain the orders of the Deputy Commissioner who, if he considers it necessary, shall refer the matter to Government.

33. When an application in Form M. E. 3-B is presented to the Supervising Officer for removal of matches, contained in boxes or booklets on which banderols purchased on credit have been affixed, the licensee shall, if he has paid for the banderols on tne boxes or booklets to be removed, attach the Treasury receipt in token of payment of the cost price of the banderols; and the Supervising Officer shall issue a permit as laid down in clause 32 and deal with the Treasury receipt as indicated in clause 31 according as the boxes or booklets are removed on the same date or on different dates.

If the cost price of the banderols has not been paid for, the Supervising Officer shall, after scrutinizing the

amount of credit outstanding with the licensee, which should be furnished by the Treasury Officer as enjoined by clause 12 and the amount of deposit or security, issue a permit as laid down in clause 32.

In other respects, clauses 29 to 32 shall apply as in the case of removal of matches in boxes or booklets to which banderols purchased for cash have been affixed.

34. *Unbanderolled matches.*—When a licensee desires to export unbanderolled matches from the bonded warehouse to any place outside India, he shall present an application in Form M.E. 3-B to the Supervising Officer.

35. On receipt of the application from the licensee under clause 34, the Supervising Officer shall scrutinize the details furnished by the licensee and issue a permit in Form M.E. 5 in quadruplicate and permit the removal of the consignment from the bonded warehouse. The original permit shall be retained by the Supervising Officer. The duplicate shall be delivered to the peon at the gate as required by sub-clause (2) of clause 32, the triplicate shall accompany the consignment to its destination, and the quadruplicate shall be delivered to the licensee who shall, in the case of export by land, produce it before the officer in charge at the Land Customs Station (Chowkie) or a verifying officer at such other places as may be prescribed by rule or order. The licensee shall obtain an endorsement on the permit from the aforesaid officer that the consignment has passed out of the limits of Mysore and shall return the permit so endorsed to the Supervising Officer within a week. The Supervising Officer shall send the permit to the Deputy Commissioner through the Inspector with the licensee's application for refund of duty from the amount of duty assessed under cluase 8 of the rules.

CHAPTER VI.

ACCOUNTS.

36. *Matches.*—The Supervising Officer and the licensee shall each maintain a register in Form M.E. 2 showing daily the quantity of matches produced and the quantity sent into the bonded warehouse. At the end of the month, the totals in the M. E. 2 register shall be transcribed into a register in Form M. E. 2-A. Separate

pages shall be allotted in both the registers for unbanderolled matches intended for export and for matches which have been exempted from being packed into boxes and banderolled. The licensee as well as the Supervising Officer shall also maintain a register in Form M. E. 4 showing the quantity of matches received into, and the quantity issued from the bonded warehouse daily. Separate pages shall be allotted in both the registers for the various classes of boxes specified in clause 40 (2) of the Rules and 'unbanderolled' matches for expert. At the end of the month the totals in the M.E. 4 register shall be transcribed into a register in Form M.E. 4-A, showing the receipts and issues for each month. The M. E. 2 and M. E. 4 registers shall be written up daily. The entries in the registers maintained by the licensee shall be compared daily by the Supervising Officer with the entries in his register and he shall initial the licensee's register in token of check. Should there be any discrepancy between the two registers, the entries in the registers maintained by the licensee shall be reconciled with those in the registers maintained by the Supervising Officer, and if they cannot be reconciled, the matter shall be reported to the Deputy Commissioner through the Inspector for orders.

37. The monthly return in Form B prescribed by clause 7 of these rules shall be submitted to the Deputy Commissioner through the Supervising Officer. The Supervising Officer shall check the entries in the return with an extract of the monthly totals as entered in the M.E. 2-A and M.E. 4-A registers; if he finds that the entries agree, he shall submit the return with the extract of the totals in the M.E. 2-A and M.E. 4-A registers to the Deputy Commissioner through the Inspector with an endorsement to the effect that the return has been checked and found correct. If there is any discrepancy between the return in Form B and the M.E. 2 and M.E. 4 registers the Supervising Officer shall return it to the licensee for reconciliation; if the licensee is unable to reconcile the entries so as to bring them into agreement with those recorded in the M.E. 2-A and M.E. 4-A registers, the Supervising Officer shall report the matter to the Deputy Commissioner for orders.

38. The Supervising Officer shall maintain a daily register in Form M.E. 1 showing the receipts of banderols

purchased for cash from the Treasury and of the issues to the licensee. The licensee shall maintain a daily register in Form M. E. 1-A showing the opening balance of banderols with him, receipts from the Supervising Officer, the number used on the boxes of matches sent to the bonded warehouse, the number damaged and unaccounted for, and the balance with him. On the first day of the following month, he shall submit to the Supervising Officer an extract of the totals in the register in Form M.E. 1-A. The Supervising Officer shall check the accuracy of the statement with the entries in the register in Form M.E. 1 maintained by him, submit the return received from the licensee together with an extract of the totals in the register in Form M.E. 1-A to the Deputy Commissioner through the Inspector. From these returns, the Deputy Commissioner shall check the issues of banderols from the Treasury, the duty collected, the number of banderols rendered unserviceable, the number purchased for cash and the number remaining with the licensee at the end of the month, and trace its disposal in the subsequent months. He shall also check whether the number of banderols on the boxes or booklets of matches issued from the bonded warehouse during a particular period exceeds or not the banderols purchased.

39. In regard to banderols purchased on credit, the Supervising Officer shall maintain a separate account of the banderols received and of those issued to the licensee in Form M. E. 1. Both the Supervising Officer and the licensee shall maintain a daily account in Form M. E. 1-B of the number of banderols received from the Supervising Officer, used, rendered unserviceable and remaining to be accounted for, with the balance of duty to be paid by the licensee, provided that the cost of banderols is paid from time to time on the boxes or booklets of matches as they are removed from the bonded warehouse; but if the licensee is permitted by the Deputy Commissioner to remove matches from the bonded warehouse before payment of the cost of banderols on the boxes or booklets removed, the Supervising Officer and the licensee shall maintain an account in Form M. E. 1-C to show daily the amount to be recovered from the licensee on the banderols issued from the Treasury on credit. At the end of the month, the licensee shall submit an abstract of the totals of the register in Forms M. E. 1-B and M. E.

1-C, if one is maintained, to the Supervising Officer who shall after comparing the entries with those in his register, submit the extracts to the Deputy Commissioner through the Inspector with an extract of the total in Form M.E. 1. In the case of banderols issued on credit, the Supervising Officer shall send daily extracts from the M. E. 1 and M. E. 4 registers to the Treasury Officer to enable the latter to know the number of unused banderols in bond and the number on the boxes in the bonded warehouse. Copies of these extracts should also be sent to the Inspector and the Deputy Commissioner.

40. Separate registers as mentioned in the foregoing clauses shall be maintained and separate returns prepared for—

(*i*) boxes or booklets of banderolled matches, the banderols on which have been paid for in cash;

(*ii*) boxes or booklets of banderolled matches, the banderols on which have been purchased on credit; and

(*iii*) boxes or booklets of unbonderolled matches (*a*) exempted from the affixture of banderols to the boxes or booklets and (*b*) intended for export.

41. The accounts of banderols kept at Treasuries and in the manufactory and bonded warehouse shall be in gross numbers and units. In the case of damaged bonderols, the number damaged and the balance remaining after accounting for them shall be in gross numbers and units.

CHAPTER VII.

42. *General.*—If there are two or more exits from a bonded warehouse or manufactory, matches shall be removed therefrom only through the main gate where a peon shall be posted on guard duty.

43. All the gates in the manufactory shall be locked by the licensee before sunset or if the work in the premises ceases earlier, immediately after the cessation of work, and the licensee shall have the keys in his possession. If the licensee desires access to the premises in cases of emergency, he shall open only the lock on the main gate and he shall relock it when he has finished his business in the premises.

44. No matches shall be removed from the manufactory or bonded warehouse except in accordance with the directions contained in these rules.

If any matches are removed by any employee from a manufactory in contravention of the conditions hereinbefore prescribed, the licensee shall be held responsible for such removal and be liable to be dealt with according to the provisions of the Act, of the rules, and of rules and orders made under the Act or the rules as if he had removed the matches himself.

45. Persons coming into, or going out of, the manufactory or bonded warehouse as well as articles brought thereinto, or sent out therefrom, shall be liable to be searched or examined by the peon on guard at the main gate.

46. The licensee shall if so required by the Deputy Commissioner provide at the main gate of the manufactory a small shed suitable for the accommodation of the peon on guard there.

47. The licensee and his agents and servants shall carry out all orders issued by the Supervising Officer or his assistant in the due performance of his duty under the Act, the rules and the provisions contained in these rules.

48. The licensee and his agents and servants shall comply with all orders issued by the Deputy Commissioner or Inspector for carrying out the provisions contained in these rules and to facilitate their enforcement.

49. The Government may, by a special order, exempt any manufactory or bonded warehouse from the operation of any provision contained in these rules.

THE SCHEDULE.

FORM M. E.-1.

(*Vide* Clauses 8, 9, 14, 15, 38 and 39).

Register of receipts and issues of Banderols at..... the Manufactory of.....

Date (1)	Opening balance (2)					Received from Treasury (3)					Total (4)					Issued (5)					Balance (6)					Duty on the balance of banderols in stock (7)					(8) Remarks
	Class of banderols					Class of banderols					Class of banderols					Class of banderols					Class of banderols					Class of banderols					
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	
	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Grosses	Grosses	Grosses	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Grosses	Grosses	Grosses	Grosses	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Grosses	Grosses	Grosses	Grosses	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	

FORM M. E. 1-A.

(*Vide clause* 38.)

Statement showing the receipts and expenditure by the licensee of banderols purchased for cash.

Date	Opening balance with the licensee (2)					Received from supervising officer (3)					Total (4)					Used on matches manufactured and sent to bonded warehouse (5)					Damaged and handed over to Supervising Officer (6)					Balance with the licensee (7)					Remarks
	Class of Banderols					Class of banderols					Class of banderols					Class of banderols					Class of banderlos					Class of banderols					
(1)	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	(8)
	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Grosses	Grosses	Grosses	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Grosses	Grosses	Grosses	Grosses	Grosses	Singles	Grosses	Singles	Grosses	Column (5) must agree with column (21) in M. E. I-B, when banderols are purchased on credit.
																Grosses	Grosses	Grosses	Grosses	Grosses	Grosses	Singles	Grosses	Singles	Grosses	Grosses	Singles	Grosses	Singles	Grosses	
																					Grosses	Singles	Grosses	Singles	Grosses	Grosses	Singles	Grosses	Singles	Grosses	
																										Grosses	Singles	Grosses	Singles	Grosses	
																										Grosses	Singles	Grosses	Singles	Grosses	
																										Grosses	Singles	Grosses	Singles	Grosses	

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FORM M. E. 1-B.

(*Vide* clause 39.)

PART I—Statement showing the receipts, transfers to the Bonded Warehouse and balance of banderols purchased on credit with the licensee.

Date	Opening balance										Received during the day										Total										Transferred to the Bonded Warehouse										Damaged in process and handed over to the Supervising Officer										Balance with the licensee									
(1)	(2)										(3)										(4)										(5)										(6)										(7)									
	Class of banderols										Class of banderols										Class of banderols										Class of banderols										Class of banderols										Class of banderols									
	1		2		3		4		5		1		2		3		4		5		1		2		3		4		5		1		2		3		4		5		1		2		3		4		5		1		2		3		4		5	
	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles	Grosses	Singles

FORM M. E. I-B—*contd.*

Part II—Statement of Banderols purchased on credit or boxes with the Bonded Warehouse, the receipts, issues and closing balance in the Bonded Warehouse.

Date	Opening balance of banderols affixed to boxes in the Bonded Warehouse. (8)					Received in the Bonded Warehouse (9)					Total (10)					Issues from the Bonded Warehouse (11)					Balance in the Bonded Warehouse (12)					Balance of total stock with licensee in the Bonded Warehouse and with Supervising Officer. [column (7)+(12)+column (6) of Form M. E. 1.] (13)				
	Class of banderols					Class of banderols					Class of banderols					Class of banderols					Class of banderols					Class of banderols				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.
	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.
	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.
	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.
	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.
	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.
	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.	Grosses.
	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.	Singles.

FORM M. E. 1-B—*contd.*

Part III—Duty corresponding to entries in Part I.

Duty on stock with the licensee (14)												Duty on issues to the licensee (15)												Total (16)											
Class of banderols										Total		Class of banderols										Total		Class of banderols										Total	
1		2		3		4		5				1		2		3		4		5				1		2		3		4		5			
Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.

FORM M. E. 1-B—*contd*

Duty on issues to the Bonded Warehouse (17)												Remission on damaged banderols (18)												Duty on balance with the licensee (19)											
Class of banderols										Total		Class of banderols										Total		Class of banderols										Total	
1		2		3		4		5				1		2		3		4		5				1		2		3		4		5			
Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.

FORM M. E. 1-B.—*contd.*

Part IV—Duty corresponding to the entries in Part II.

Duty on banderols in Bonded Warehouse (20)												Duty on receipts in Bonded Warehouse (21)												Total (22)											
Class of banderols											Total	Class of banderols											Total	Class of banderols											Total
1		2		3		4		5				1		2		3		4		5				1		2		3		4		5			
Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.

FORM M. E. 1-B.—*contd.*

Duty on issues from the Bonded Warehouse (23)												Duty on closing balances in the Bonded Warehouse (24)												Duty on stock in the factory [column (19)+(24)+column (7) in Form M. E. 1.] (25)											
Class of banderols											Total	Class of banderols											Total	Class of banderols											Total
1		2		3		4		5				1		2		3		4		5				1		2		3		4		5			
Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.

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FORM M. E. 1-C.

(*Vide* CLAUSE 39.)

Statement showing the duty on banderols purchased on credit from the Treasury remittance made by the licensee and the balance of cost price of banderols to be recovered.

Date (1)	Duty outstanding with the licensee (2)												Duty on receipt of banderols from the treasury (3)												Total (4)											
	Class of banderols												Class of banderols												Class of banderols											
	1		2		3		4		5		Total		1		2		3		4		5		Total		1		2		3		4		5		Total	
	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.		Rs.	a.

FORM M. E. 1-C.—*contd.*

Remittance made by the licensee (5)												Remission on damaged banderols (6)												Balance to be recovered from the licensee (7)												Remarks (8)
Class of banderols											Total		Class of banderols										Total		Class of banderols										Total	
1		2		3		4		5				1		2		3		4		5				1		2		3		4		5				
Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	Rs.	a.	

FORM M. E- 2.

(*Vide* clauses 24, 36 and 37.)

Manufactory of.....

	Matches manufactured															
	Class 1			Class 2			Class 3			Class 4			Class 5			
	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Total number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Total number of gross boxes booklets
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

	Removed to bonded warehouse																Here enter under each date serial number assigned to cases or packets produced and those taken into bond	
	Class 1			Class 2			Class 3			Class 4			Class 5					
	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Number of cases packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Total number of gross boxes/booklets	Serial number of cases or packets produced	Serial number of cases or packets removed to the bonded warehouse
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	

FORM M. E. 2-A.

(*Vide* Clauses 36 and 37.)

Manufactory of.....

	Matches manufactured															
	Class 1			Class 2			Class 3			Class 4			Class 5			
	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Total number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Total number of gross boxes/booklets
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

	Removed to bonded warehouse																Here enter under each date serial number assigned to cases or packets produced and those taken into bond	
	Class 1			Class 2			Class 3			Class 4			Class 5					
	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Number of cases/packets—number of gross in each	Number of gross boxes or booklets	Total number of gross boxes or booklets	Total number of gross boxes/booklets	Serial number of cases or packets produced	Serial number of cases or packets removed to the bonded warehouse
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	

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FORM M. E. 3-A.

(*Vide* clauses 24 and 25.)

Application for removal of matches from the manufacturing store to the bonded warehouse of ..... manufactory.

No.

Date.....19

To

The Supervising Officer,

————————Manufactory.

Sir,

Please permit me to remove from the manufacturing store to the bonded warehouse matches as detailed below:—

	Class				
	1	2	3	4	5
Number of cases or packets					
Number of gross boxes or booklets in each case or packet					
Loose matches					
Total number of gross boxes or booklets					

Licence-holder.

NOTE (i).—The cases or packets bear the following serial numbers:—

————————

————————

————————

NOTE (ii).—Class refers to the classes of boxes or booklets specified in clause 42 (2) of the Matches (Excise Duty) Rules 1934.

FORM M. E. 3-B.

(*Vide* clauses 30, 31, 32 and 34.)

Application for removal of $\frac{\text{Banderolled matches}}{\text{Unbanderolled matches}}$ from the bonded warehouse of.....

No.

Date.....19

To

The Supervising Officer,

.....Manufactory.

Sir,

Please permit me to remove for $\frac{\text{Inland consumption}}{\text{Export}}$ matches in accordance with the particulars given below:—

	Class				
	1	2	3	4	5
Name and address of the consignee					
Place of booking by rail or port of shipment where the removal is for export					
Number of cases or packets					
Number of gross boxes or booklets in each case or packet					
Total number of gross boxes or booklets					
Loose matches					

Rs. A. P.

Duty paid

Dated.....of.....Treasury

Treasury Receipt No.

Licence-holder

NOTE (i).—The cases or packets bear the following serial numbers:—

————————

————————

————————

NOTE (ii).—Class refers to the classes of boxes or booklets specified in clause 42 (2) of the Matches (Excise Duty) Rules 1934.

FORM M. E. 4.

(*Vide* clauses 25, 28, 36, 37 and 39.)

Register of Receipts and Issues of Matches from.....bonded warehouses of.....

Date	Opening balance				Received in store				Total				Issued				
													For inland consumption				
	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Permit number	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets
1	2		3	4	5		6	7	8		9	10	11	12		13	14

Date	Issued												Balance					
	For export					Destroyed or sent back for reconditioning			Total									
	Permit number	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Duty to be levied	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Duty on the balance	Remarks
	15	16		17	18	19	20	21	22	23	24	25	26	27	28	29	30	

NOTE.—The serial numbers on cases/packets removed from the bonded warehouses should be noted in the remarks column against the dates of issue.

FORM M.F. 4-A.

(*Vide* clauses 36 and 37.)

Register of Receipts and Issues of Matches from.....bonded warehouse of.....

Month	Opening balance				Received in store				Total				Issued			
													For inland consumption			
	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of boxes/booklets
1	2		3	4	5		6	7	8		9	10	11		12	13

Month	Issued													Balance						
	For export				Duty to be levied	Destroyed or sent back for reconditioning				Total										
	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets		Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/packets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Number of cases/booklets	Number of gross in each	Number of gross boxes/booklets	Total number of gross boxes/booklets	Duty on the balance	Remarks
	14		15	16	17	18		19	20	21	22		23	24		25	26	27	28
January ...																			
February ...																			
March, etc. ...																			

FORM M.E. 5,

(*vide* clause 35.)

Permit for the issue of matches from the bonded warehouse of ————

No. ———— Dated———————19

————————————————is hereby permitted to remove from the bonded warehouse————cases or packets of matches for issue to the person mentioned below :—

Name————————————

Address————————————

	Class 1.	Class 2.	Class 3.	Class 4.	Class 5.
Number of cases or packets					
Serial number of the cases or packets					
Number of gross boxes or booklets in each case or packet					
Total number of gross boxes or booklets					
Total ...					

Duty paid, Rs.

Treasury Receipt No.————dated————of————Treasury,

The consignment shall pass through the————gate.

Supervising Officer, Bonded Warehouse.

NOTE (i).—To be printed in triplicate.

NOTE (ii). Class refers to the classes of boxes or booklets specified in clause 40 (2) of the Matches (Excise Duty) Rules, 1934.

NOTE (iii).—Claims for refund in case of export shall be supported by a certificate of shipment outside India.

Checked the contents according to the details of permit and passed out of the gate as follows :—

Number of cases or packets————————

Number of gross boxes or booklets in each case, or packet————————

Total number of boxes or booklets————————

Number of loose matches————————

Serial number————————

Peon on guard duty.

FORM M.E. 6.

(*vide* clause 31.)

Letter of intimation.

No.————— Dated————————19

To

The Deputy Commissioner / Treasury Officer,

Sir,

I have this day issued matches from the bonded warehouse, particulars of which are noted below; the cost of banderols of which has been paid under the following treasury receipts :—

(i) Name ————————————

Address————————————

(ii) Treasury Receipt No.————dated————

No.————dated————

No.————dated————

(iii)

	Class 1.	Class 2.	Class 3.	Class 4.	Class 5.
Number of cases or packets					
Serial number of cases or packets					
Number of gross boxes or booklets in each case or packet					
Total number of boxes or booklets					

Duty paid, Rs.

Treasury Receipt No.————dated————of————Treasury

Supervising Officer.

Copy to the Treasury Officer.

NOTE.—Class refers to the classes of boxes or booklets specified in clause 40 (2) of the Matches (Excise Duty) Rules 1934.

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FORM M. E.-7.

(*Vide* Clause 9.)

Indent for the Purchase of Banderols for Cash.

(In triplicate.)

To

The Treasury Officer

———————

Sir,

Please supply me with banderols, particulars of which are furnished below, for which I enclose a challan for the remittance of Rs.————————less rebate.*

Class 1	Class 2	Class 3	Class 4	Class 5

Licensee.

1. The indent particulars of which are given above may be complied with. The factory is not a cottage factory.

2. A rebate certificate has been granted in Deputy Commissioner's No.———dated ————————and is current up to————

Supervising Officer.

NOTE.—The word 'not' will be deleted in the case of cottage factories and paragraph 2 in case of factories which are not working under the rebate certificate.

*To be deleted where no certificate issued by the Deputy Commissioner is in Force.

FORM M. E.-8.

(*Vide* clause 9.)

Requisition for the Supply of Banderols on Credit.

To

The Supervising Officer,

————————Manufactory.

Dated————————*193* .

Sir.

I/We have this day in my/our Factory the undermentioned quantities of banderols-

Class of Banderols.	Number of gross. Gross.	Number of gross. Singles.	Value. Rs.	A.	P.
Class 1					
Class 2					
Class 3					
Class 4					
Class 5					
Total					

2. Please ask the Treasury Officer————————to supply me/us with banderols of the following denomination on credit for use at my/our match manufactory.

Date	Class of Banderols	Number of gross required.	Value. Rs.	A.	P.
	Class 1				
	Class 2				
	Class 3				
	Class 4				
	Class 5				
	Total				

Licensee.

Forwarded to the Treasury Officer,————————

2. The quantities of grosses of banderols indented for are due to him/them on credit and may/may not be issued (state the number of gross of banderols of each class to be issued according to credit balance in deposit or security.)

Supervising Officer.

No. L. 3178—*V. P.* 62-36-2, *dated Bangalore,*
21*st October* 1938.

In exercise of the powers conferred by section 58-B of the Mysore Village Panchayet Act, 1926, as amended from time to time, and section 102 of the District Boards Act, 1926, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to exempt the local area comprised in the villages of Jodi Kempapur Agrahar, Hosahalli and Hanumanthapur, Bangalore Taluk, and defined in the schedule appended to this Notification from the operation of the provisions of the said Acts and to make the following rules to provide for the matters dealt with in the said Acts for the said area :—

Rules.

1. For the proper and efficient administration of the said local area, there shall be formed a special committee distinct from, and independent of, the Bangalore District Board and the Bangalore City Municipal Council and the Village Panchayets of Jodi Kempapura Agrahara village and Hanumanthapur village and styled "*Binnypet Committee.*"

2. The Committee shall consist of seven members, four of whom shall be elected from among the residents of Binnypet, the other three being *ex-officio*, namely, the Revenue Sub-Division Officer, Bangalore Sub-Division, the Health Officer, Bangalore City and the Chief Executive Officer of the Bangalore Woollen, Cotton and Silk Mills Co., Ltd.

3. The Manager or the Chief Executive Officer of the said Mills shall be the Chairman of the Committee. The Committee shall hold office for a period of three years.

4. The Committee may appoint, with the approval of Government, a Secretary and a Medical Officer of Health and assign to them such duties and powers as the Committee shall deem fit for the administration of matters within its competence.

5. The Committee shall have power to appoint joint committees to carry out and administer joint works with the adjoining Village Panchayets or with the Bangalore City Municipal Council, or the Bangalore District Board

in all matters of joint concern on terms mutually agreed upon.

6. The Committee may, from the funds at its disposal, and subject to such instructions as may be given by Government from time to time, create appointments including those of Sanitary Inspectors, Assistant Sanitary Inspectors, Work Inspectors and such establishment as Maistries, Sweepers and Scavengers, Watchers and other Servants as may be found necessary for the proper and efficient administration of the area.

7. The Committee shall have power to prescribe bye-laws with the previous sanction of Government for the conduct of its business and for the guidance of its members and servants.

8. The Committee shall have power to levy, with like sanction such tax, rent, rate or cess within the said area as a Town Municipal Council would be competent to levy under the law in force relating to Town Municipalities or which may be specially sanctioned by Government.

9. (1) The Committee may, with the previous approval of Government, prescribe bye-laws—

(*a*) for regulating the construction and restoration of buildings of every description, the materials of which they shall be made, their ventilation and drainage, the number of persons that may occupy them and other similar matters and to prevent the construction of buildings without adequate provision being made for the lay-out and location of streets;

(*b*) for providing burning and burial grounds;

(*c*) for regulating the disposal of kitchen and stable refuse, animal refuse of all kinds and night soil or other offensive matter;

(*d*) for conserving and guarding against pollution all sources of water supply;

(*e*) for preventing overcrowding in bazaars, in workmen's lines and streets, or houses for work people and others;

(*f*) for the proper cleaning of the drains, sewers, latrines and urinals;

(*g*) for regulating the keeping of cattle and other animals, the location of sheds for them and the fixing or licensing of slaughter-houses; and authorising the levy of

rent or fees for the use of the same; or a fee on each animal slaughtered therein at such rates as may be prescribed from time to time;

(*h*) for the proper and timely treatment of persons affected with cholera or other epidemic disease, and for preventing the spread of such disease by temporarily prohibiting persons affected or suspected to be affected with it from moving to or from particular specified places or travelling on particular specified routes;

(*i*) (i) for the regulation and inspection of bakeries and aerated water factories;

(ii) the registration of births and deaths and enforcing the supply of information as may be necessary to make such registration compulsory;

(iii) the inspection and proper sanitation of the markets; and,

(iv) the regulation and inspection of hotels, restaurants, eating-houses and sweetmeat shops in the area; and

(*j*) generally for the sanitation of the area under its authority.

(2) for every breach of a bye-law made under this rule, the offender shall be liable to a fine not exceeding rupees one hundred on conviction before a Magistrate.

(3) all fines imposed for the breach of any bye-law made under this rule shall, when recovered, be credited to the funds of the Committee.

10. The Government may, at any time, by notification in the official gazette, repeal wholly or in part or modify any bye-law made by the Committee.

11. The Government may suspend the execution of or cancel or modify any resolution or order of the Committee and prohibit the doing of anything which is about to be done or is being done on behalf of the Committee. Subject to such conditions as may be imposed by the Government, the power of Government under this Rule may be delegated to any authority subordinate to Government.

12. The Committee shall have power to acquire and hold movable and immovable property whether within or without the limits of the local area and shall also have power—

(1) to let on hire or lease any movable or immovable property which may have become vested in or acquired by the Committee, and

(2) to sell and otherwise convey, with or without any conditions any movable or immovable property which may have become vested in or acquired by the Committee, and

(3) to appropriate or apply the whole or any part of the lands which may have become vested in or acquired by the Committee for the formation of open spaces or for building purposes or in any other manner for the purpose of any sanitation schemes.

13. (*a*) All moneys received by or on behalf of the Committee by virtue of these rules, all sums realised as taxes, rents and other imposts, fines, fees, penalties paid to, or levied by it under these rules; all proceeds of land or other property sold by the Committee; and all rents accruing from its land or other property; as also all interest, profits and other moneys accruing by gifts or transfers from Government, from the Bangalore Woollen, Cotton and Silk Mills or private individuals or otherwise shall constitute the fund of the Committee.

(*b*) The fund shall be administered and applied for the purposes specified in the rules and for all other purposes for which by or under these rules or any other law for the time being in force, powers are conferred or duties imposed upon the Committee, and with the previous sanction of the Government, for any other purpose for which the application of such property or fund is in the public interests.

14. (1) It shall be lawful for the Committee to deposit at interest with the Government Savings Bank or with the sanction of the Government, in any other Bank in Mysore any surplus funds in its hands which may not be required for current charges and with the like sanction, invest such funds in securities of the Government of India or of the Government of Mysore or such other securities as the Government may from time to time, approve in this behalf, and vary such investments or dispose of such securities with the like sanction.

(2) The Committee fund, over and above what is invested as provided for in sub-rule (1), shall be kept in the State Huzur Treasury.

15. All sums due from any person to the said fund on account of taxes, fees and all other dues may be recovered in any one or more of the following ways :—

(1) as an arrear of land revenue, on the written application of the Chairman in this behalf, to the Deputy Commissioner of any district in which proceedings are required to be taken ;

(2) by distraint and sale, by or under the orders of the Chairman of the movable property of such persons, and

(3) by the institution by the Chairman, of a civil suit against such persons.

16. The Director of Public Health, the Revenue Commissioner and the Deputy Commissioner, Bangalore District, shall have power to inspect the area and advise the Committee in matters relating to sanitation, etc., and the Committee shall be bound to carry out all reasonable instructions issued by such officers.

17. The Chairman shall submit to Government before the 31st July of each year a report on the administration of the area under the control of the Committee.

SCHEDULE.

Name of the Village.	*Survey Nos.*	*Extent.* A.	G.
1. Jodi Kempapur Agrahar ...	43	6	12
	44	4	1
	45	9	16
	46	12	11
	47	5	3
	321	3	25
2. Portion of village site of Hosahalli ...	...	1	24
3. Hanumanthapur Village ...	10	4	31
Total Extent ...		47	3

BOUNDARIES.

East.—The boundary line commencing at the north-east corner of Hosahalli Village site runs in a southern direction along the eastern boundary line of Survey Nos. 44 and 46 of the village and then joins the boundary line of Bhogenahalli at the south-east corner of Survey No. 46 of the village.

South.—It passes along the southern boundary of Survey No. 46 of the village and that of Bhogenahalli and taking a turn towards the west of Survey No. 46, it passes along the northern boundary of Survey No. 48 of the village and joins the south-east corner of Survey No. 49 of the village.

West.—It passes along the eastern boundary of Survey No. 49 of the village and joins the north-east corner of Survey No. 49 and south-west corner of Survey No. 43 of the village.

North.—The line then takes its course along the Mysore—Bangalore Railway line reaches the south-west corner of Survey No. 321. It continues its course along the railway line and joins the north-east corner of the portion of the village site in serial 2 above.

Note:—A deep water course actually divides these two points marked *voni* in the plan.

No. D. 3604—*C. S.* 14-38-12, *dated Bangalore, 25th October* 1938.

In exercise of the powers vested in them under Section 44 (1) of the Mysore Co-operative Societies Act, 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule prohibiting the treating of accrued interest due but unrealised as profits by Co-operative Societies :—

35. "In calculating the profits of a society for the year, for the purpose of declaring a dividend or bonus, all interest accrued due, but not actually realised shall be deducted from the gross profits of the year, before the net profits are arrived at. All accrued interest that has been so deducted from the profits of the year and that is actually recovered during the subsequent year, may be added to the profits of the subsequent year. The Registrar may, in special cases and after due enquiry, permit or authorise a society to treat interest accrued due for a period not exceeding one year as profits; but if the amount so permitted to be treated as profits is not actually recovered during the subsequent year, it shall be deducted from the profits of such subsequent year before the net profits of that year are arrived at".

By Order,

P. H. Krishna Rao,

Secretary to Government,

Local Self-Government Department.

Printed by the Superintendent at the Government Press, Bangalore.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1284—*Rt.* 24-38-2, *dated Bangalore, 3rd November* 1938.

In modification of Rule 2 (a) (iii) of the Mysore Motor Vehicles Tax Rules published with Notification No. P. 3812—Legis. 44-33, dated 11th December 1935, appointing the officers in charge of taluk treasuries at all taluk headquarters as licensing officers under the Mysore Road Traffic and Taxes Act VI of 1935, for collecting Vehicle, Service and road taxes due on motor vehicles and for grant of licenses, the Government of His Highness the Maharaja are pleased to direct that the treasury officers at the following taluk headquarters shall cease to be licensing officers from the 1st January 1939:—

(1) Channapatna	Taluk	Treasury	...	Bangalore	District.
(2) Tiptur	,,	,,	...	Tumkur	,,
(3) Seringapatam	,,	,,	...	Mysore	,,
(4) Nanjangud	,,	,,	...	,,	,,
(5) Nagar	,,	,,	...	Shimoga	,,

No. T. 1307—*R. T.* 1-38-8, *dated Bangalore, 4th November* 1938.

In virtue of the powers vested in them under Sections 14 and 15 of the Mysore Road Traffic and Taxes Act No. VI of 1935, as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to direct (1) that a check gate be opened near the railway level crossing at Doddkurugod Railway Station, adjoining the Bangalore-Hindupur Road, and (2) that this check gate and the Kudumalakunte frontier toll-gate, Kolar District, be treated as one toll-gate, the payment of toll at one toll-gate exempting vehicles, etc., from payment of the same at the other.

By Order,
M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

Printed by the Superintendent at the Government Press, Bangalore.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1408—*R. T.* 27-38-4, *dated Bangalore,* 11*th November* 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to exempt motor buses, lorries and cabs belonging to Government or any department of Government from payment of the inspection fee leviable under Rule 6 of the rules relating to inspection of public service motor vehicles and private lorries, issued with Notification No. T. 1—T. B., dated 28th February—2nd March 1936. (*Vide* page 120, Mysore Motor Manual 1938.)

No. T. 1470—*R. T.* 10-37-65, *dated Bangalore,*
14*th November* 1938.

In exercise of the powers conferred on them by Section 11 of the Mysore Motor Vehicles Act, 1928, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 21-A of the Mysore Motor Vehicles Rules, 1924, as amended from time to time, the draft amendment in the said behalf having been already published with Notification No. T. 919—R. T. 10-37-62, dated 20th September 1938, at page 254, Part IV of the *Mysore Gazette*, dated 6th October 1938.

Amendment.

Delete the word "mechanical" in line 4 of Rule 21-A issued with Notification No. T. 283—R. T. 38-36-22, dated 20th July 1937, at page 153, Part IV of the *Mysore Gazette* dated 29th July 1937, and substitute the following words:—

"a hand or mechanically operated."

The rule after the amendment will read as follows:—

21-A. Left-hand-drive motors.

21-A. "No motor vehicle with a left-hand steering control will be registered unless it is provided on its right or off-side with a hand or mechanically operated signalling apparatus of a pattern approved by the registering authority, which shall, when in operation, indicate to the following traffic the driver's intention of turning to the right or of his intention of stopping the vehicle; provided that in all cases of such motor vehicles as have been already registered but are not provided with such apparatus, a period of six months from the date of the introduction of this rule is permitted for installing such apparatus."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No D. 4373—*C. S.* 14-38-14, *dated Bangalore, 14th November* 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following rule prohibiting a person from serving on the Committee of Management more than one Co-operative Society of the same type.—

"6 (*d*) No person shall serve simultaneously on the Committee of Management of more than one Society of the same type without the special or general sanction of the Registrar."

N. B.—The decision of the Registrar as to whether two or more Societies are of the same type or not shall be final.

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

No. L. C.—966, *dated Bangalore, the 7th November* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Limitation Act, 1911 is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill further to amend the Mysore Limitation Act, 1911.

Whereas it is expedient further to amend the Mysore Limitation Act, 1911: It is hereby enacted as follows:—

In the first column of Article 11 of the First Schedule to the Mysore Limitation Act, 1911, omit the

words "after an investigation of" and substitute the word "on" in their place.

Statement of objects and reasons.

In British India a suit by a person against whom an order has been made under the Code of the Civil Procedure on a claim preferred to or an objection made to the attachment of property attached in execution of a decree is one year from the date of the order whether the order in question was passed after investigation or not. But in Mysore a difference exists between an order passed after an investigation and an order passed without investigation. It the case of the former the short period of limitation prescribed under Article 11 applies whereas the usual period of limitation for establishing title to property, *viz.*, 12 years applies in the case of the latter. From this it is seen that the orders in cases of claims or objections, where there was investigation, became conclusive after one year, if no suit was filed to set aside such an order by the unsuccessful party whereas in the other case, where there was no investigation, the order was not conclusive at all.

A claimant or objector who puts forward his claim or objection and interferes with execution proceedings and then does not take step to have his claim investigated is in a better position than the one who gets his claim investigated. Very often the claimants will be acting on behalf of the judgment-debtor to impede the progress in the realisation of the decree amount. There is no reason to treat the two claimants differently. In British India both kinds of claimants are treated alike, whether there is any investigation or not. In such a proceeding, the unsuccessful party has to bring a suit within one year from the date of the order. It is now proposed to amend Article 11 of the Limitation Act to bring it on a line with the law in British India and to omit the distinction now existing. It is also convenient that our law should be similar to British India law as far as possible.

No. 970—L. C., dated Bangalore, the 10th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore Paper Currency Act, 1919 is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,
Mysore Legislative Council.

Bill to Amend the Mysore Paper Currency Act, 1919.

Whereas it is necessary to amend the Mysore Paper Currency Act, 1919; it is hereby enacted as follows:—

1. (1) This Act may be called the Mysore Paper Currency (Amendment) Act, 193....

(2) It shall come into force at once.

(3) The Mysore Paper Currency (Amendment) Emergency Act, XIX of 1938, is hereby repealed.

2. In section 2 of the Mysore Paper Currency Act, 1919, after the words "British India" the following shall be inserted, namely:—

"or a bank note issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934, so long as such bank note is legal tender in British India."

Statement of objects and reasons.

Under the Mysore Paper Currency Act, 1919 a currency note issued under any Indian Paper Currency Act shall be legal tender in the State. Till now currency notes were being issued by the Government of India under the Indian Paper Currency Act. After the establishment of the Reserve Bank of India, under the Reserve Bank of India Act, 1934, that Bank has been empowered to issue bank notes in British India and also to issue currency notes of the Government of India supplied to it by the Governor-General in Council. The Bank has commenced issuing bank notes and they are in circulation now.

Section 2 of the Mysore Paper Currency Act, 1919, makes only currency notes under the Indian Paper Currency Act for the time being in force in British India to be legal tender. The bank notes of the Reserve Bank would not come under it and they would not be legal tender in Mysore. To make the Reserve Bank notes legal tender in the State it is necessary to amend the Mysore Paper Currency Act, 1919. As the Reserve Bank notes were already in circulation, an amendment of the Mysore Paper Currency Act was passed as an emergency measure. It will have force only for six months. It is now proposed to place the amendment permanently on the Statute Book.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. R. 2422—*L. R.* 463-37-6, *dated Bangalore, the* 16*th November* 1938.

Under the powers vested in them by Section 233 of the Land Revenue Code and in pursuance of the orders issued in Government Order No. R. 2409-21—L. R. 463-37-5, dated 16th November 1938, the Government of His Highness the Maharaja of Mysore are pleased to direct that para 2 of Rule 20 of the rules under the Land Revenue Code as amended by Government Notification No. R. 721—L. R. 463-37-3, dated 8th August 1938, be further amended so as to include therein all irrigation works including channel works.

The amended sentence will read as follows:—

"In the case of rough stones and boulders required for Government works, and earth required for Government tank and road works, and all irrigation works including channel works, no royalty need be recovered from the Public Works Contractors, if the previous permission of the Executive Engineer has been obtained for their removal."

By Order,

B. T. KESAVIENGAR,

Chief Secretary to Government.

No. T. 1516—*R. T.* 1-38-14, *dated Bangalore, 17th November* 1938.

In virtue of the powers vested in them under Section 15 of the Mysore Road Traffic and Taxes Act VI of 1935, as amended by Act No. IX of 1936, the Government of His Highness the Maharaja are pleased to direct that the undermentioned Toll gates which ceased working from 1st July 1938 be abolished with effect from that date.

(1) Bangalore District.—
Gudemaranahalli.

(2) Hassan District—
Karehalli.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. Fl. 2850—*Regis.* 14-38-2, *dated Bangalore, the 16th November* 1938.

Under Section 78 of the Mysore Registration Act VI of 1908 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to direct that the following Article be inserted between Articles III and IV of the Table of Registration Fees as Article III-A.

"III-A. The registration fee for a deed of cancellation or revocation shall be that leviable on the original document cancelled or revoked subject to a maximum of Rs. 5."

No. L. 4090—*Ml.* 74-37-109, *dated Bangalore, 17th November* 1938.

In exercise of the powers vested in them under Section 61 (i) (ii) read with Section 106(t) of the Minor Municipalities Act, 1933, the Government of His Highness the Maharaja of Mysore are pleased to issue the accompanying rules for regulating dangerous and offensive trades within the limits of the Minor Municipalities in the State :—

Rules.

1. A. "Dangerous trade" means the business of storing, for sale—

(1) Firewood,
(2) Hay, Straw, or any other dried fodder for cattle,
(3) Coal and Charcoal,
(4) Cotton,
(5) Kerosene Oil in godowns,
(6) Petroleum in godowns,
(7) Kerosene oil in tanks,
(8) Petroleum in tanks,
(9) Bamboos, poles, rafters, reepers, scoutings and mats,
(10) Calcium carbide in bulk,
(11) Any other material of an inflammable character.

B. "Offensive trade" means the business of—

(1) Boiling or storing offal, blood, bone or rags,
(2) Storing hides, horns or skins or organic manure,
(3) Tanning,
(4) Dyeing,
(5) Washing or drying wool or hair,
(6) Making or manufacturing of tiles, pottery or other earthenware or lime,
(7) Making or manufacturing bricks,
(8) Manufacturing oil by boiling,
(9) Camphor boiling,
(10) Soap making,
(11) Using any place as a cart-stand,
(12) Using any place as a smithy,

(13) Using any place as a rice mill, flour mill or oil mill or for twisting yarn or silk-weaving or other industrial concern, wherein electricity, steam, water or other mechanical power is used, to work the same or as a factory as defined in the Mysore Factories Act.

"Owner" means the proprietor and includes all persons in charge of the places where offensive or dangerous trades as explained above, are carried on.

2. The Owner of every place where dangerous or offensive trades are proposed to be carried on, shall not use it as such without obtaining a license therefor, from the President.

3. The license shall be current for one year commencing from 1st July to end of June every year, and it is not transferable.

4. The owner should apply for the renewal of the license at least 15 days before the expiry of the period specified in the previous license.

5. Every person who obtains a license under rule (2) or a renewal of the license under rule 4 should pay license fees at the following rates :—

(a) (i) *Dangerous Trades.*—For each class of business :—Rs. 5 per annum.

(b) (i) *Offensive Trades.*—For each class of business or each kiln or furnace for bricks, the license fee shall be Rs. 5 per annum.

(ii) For each Factory Rs. 25.

Note.—In the case of hand-made bricks, the license fee shall be Rs. 5 per kiln of 1,00,000 bricks or a fraction thereof.

6. No such license shall be granted, unless the place intended for the purpose is suitable for the trade in question without the likelihood of causing any danger or nuisance to the persons residing in or resorting to the neighbourhood.

7. Every owner as defined in Rule 1 above, shall be bound to allow the inspection of the place where the trade is carried on by the President, Vice-President, Sanitary Inspector or Assistant Sanitary Inspector of the Municipality and any Revenue Officer of and above the rank of the Revenue Inspector, and shall afford every facility for such inspection.

8. Every such owner shall be bound to furnish to the President, whenever called upon to do so, statistics, such as number of people employed, their salaries and quantity of goods received, manufactured, sold, or exported by him.

9. The license is subject to the special conditions noted below :—

2. A. *Dangerous Trades.*—(1) Every owner shall so store his goods as to admit of free ingress and egress for the removal of the goods and for quenching a fire, if any, should break out,

(2) He shall not cause or suffer any cover made of combustible material to be erected or placed over or adjoining any such goods,

(3) He shall, at all times, keep the premises clean and dry to the satifaction of the Municipal Officers.

(4) He shall not allow smoking or the introduction of fire or open light into the premises and he shall always store sufficient quantity of water to quench a fire, if any, should break out.

(5) He shall comply with any requisition from the President, Vice-President or any other Municipal Officer or servant authorised by such President, contained in a notice for the total or partial removal from the premises of the aforesaid goods or the removal of any other combustible materials not intended for sale or for rectifying any error or omission in attending to the said premises.

3. B. *Offensive Trades.*—(1) In the case of offensive trades (1) the trades mentioned in Rule 1B (2), (3), (4), (5), (8), (9) and (10) shall not be carried on in any locality which is thickly populated and which is less than two furlongs distant from a cluster of 25 inhabited houses.

(2) The trade shall be carried on only in the place shown in the license,

(3) The owner shall store or convey all offensive and noxious material in proper air-tight receptacles provided with effective tight lids.

(4) He shall adopt the best practicable means of rendering innocuous all vapours emitted during the process of the trade either by proper ventilation or other suitable means, the manner in which and the place to which all refuse matter might be transported being determined by the President.

(5) He shall keep the floor and the premises in good order and repair so as to prevent the absorption of any liquid, filth or refuse or any noxious or injurious matter which might fall or get deposited thereon.

(6) He shall provide the premises with proper drains and keep them in good order.

(7) He shall cause the premises to be cleaned at the close of the day.

(8) He shall not allow any refuse or waste matter, whether solid or liquid, which is likely to be a source of danger or nuisance, to be deposited in or around the premises but shall have it removed daily in such manner as might be determined by the President.

(9) He shall adopt such other precautions as are necessary to minimise danger or nuisance to the public from the use to which such premises are put.

(10) He shall comply with any requisition from the President, Vice-President or other Municipal Officer or servant authorised by the President contained in a notice for rectifying any error or omission in attending to the above provisions and for promoting the health of the persons employed in such trade.

10. The President shall have power to suspend or withdraw a license granted under these rules, whenever he deems such a course necessary, in the interest of the safety and convenience of the public generally, or of the persons inhabiting or resorting to the neighbourhood of the premises covered by the license or for failure to get the license renewed for the ensuing year in time, or whenever the conditions of the license are not complied with.

11. Any breach of these rules will entail in addition to the suspension or withdrawal of the license, the prosecution of the owner under Section 98 of the Minor Municipalities Act, 1933.

12. The license shall be in the following form :—

LICENSE TO CARRY ON DANGEROUS AND OFFENSIVE TRADES.

No. Fees Rs. Date

granted under the rules regulating Dangerous and Offensive Trades issued with Government Notification No.

To

(Name of Owner).
Description of trade.
Description of premises.
Period covered by the license.

President.

CONDITIONS.

1. The license is not transferable.

2. The license is current for one year commencing from.....
.....

3. The license is subject to the conditions enumerated in Rules 7, 8, 9 and 10 of the rules for regulating Dangerous and Offensive Trades in minor Municipalities.

No. D. 4512—C. S. 11-36-308, dated Bangalore, 21st November 1938.

In exercise of the powers vested in them under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to make the following modifications in Rule 31 of the Rules in the matter of election of members to the Committees of Management of Co-operative Societies.

(1) Add the following as sub-rule 2-A of Rule 31.

"As a rule all the members of the committee of management shall be deemed to have vacated their seats at the time of the annual general meeting but shall continue in office till relieved by their successors."

(2) Add the word "annual" before the words "general meeting," wherever the same occur in Rule 31.

(3) For the word "meeting" in line 6 of sub-rule 2 of Rule 31, substitute the word "election."

By Order,
P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

No. 973—*L. C. dated Bangalore,* 11*th November* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Mysore Land Revenue Code, 1888, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill further to amend the Mysore Land Revenue Code, 1888.

Whereas it is expedient to further amend the Mysore Land Revenue Code, 1888, for certain purposes; It is hereby enacted as follows:—

1. This Act may be called the Mysore Land Revenue Code (Amendment) Act 193 .

2. In Clause (4) of Explanation to Section 79 of the Mysore Land Revenue Code, 1888, hereinafter referred to as the said Code, the word "twelve" shall be substituted for the word "twenty."

3. After Section 87 of the said Code, the following new Section shall be added as Section 87A.

"87A. When owing to inadequate rainfall in any tract, the Government orders remission of assessment in respect of lands in the tract, the payment of the rent or land revenue by a *kadim* tenant to the superior holder in respect of a land in any alienated village comprised in such tract shall be remitted to an amount prescribed by rules by the Government, and the loss of rent or land revenue incurred by the said superior holder shall be divided between the Government and the said superior holder in the proportion of the land revenue payable by the said superior holder to the Government and the total assessment of the village less the land revenue payable by the said superior holder to the Government.

4. After Section 96A of the said Code, the following new Section shall be added, namely.

"96B. All disputes relating to the nature of tenancy under this Chapter shall be decided by the

Deputy Commissioner. If during the introduction of Survey and Settlement, disputes relating to *kadim* and permanent tenancy rights are brought to the notice of the Settlement Officer, he shall make a list of such cases and send it to the Deputy Commissioner for adjudication.

5. (i) Clause (*c*) of Section 99 of the said Code shall be omitted, and the subsequent clauses renumbered as (*c*), (*d*) and (*e*), respectively.

(ii) In the first proviso to the same Section, for the words "Clauses (*c*) to (*f*)," the words "Clauses (*c*) to (*e*)" shall be substituted, and the words "under the provisions of Section 236" at the end of the proviso shall be omitted.

6. In Section 111 of the said Code, the following shall be added as a sub-clause of clause (1).

"In the case of lands under holding in an alienated or *kayamgutta* village newly brought under Settlement, the rate of assessment may be fixed a little higher than otherwise but without exceeding the maximum rate applicable to the locality so as not to diminish the existing income derived from them by the Inamdars. The Settlement shall be subject to the rules as to the maximum increase permissible at Re-settlement.

7. For Section 119A of the said Code, the following shall be substituted :—

"119A. Whenever it appears to the Government that an alienated village is being grossly mismanaged during the period of the minority or of unsoundness of mind of the holder, *or that it is expedient in the public interests to take over the management of an alienated village by Government, on account of the incapacity of the holder or any other cause*, the Government may, by notification in the official Gazette, order the Deputy Commissioner or any officer of Government to assume the management of such village temporarily on behalf of Government, *provided that in the latter case, the assumption shall not be made without giving notice to the holder and affording him a reasonable opportunity to be heard and to adduce evidence to show that he is fit to manage the village*. Government may, by a like order, release the property from its management as soon as the holder ceases to be a minor or the disability has ceased or for any other reason."

8. After Section 119A of the said Code, the following shall be added as Section 119B :—

"119B. When not less than 50 per cent of the tenants in an alienated village apply to the Deputy Commissioner that the village should be taken under Government management an account of disputes or misunderstandings between them and the *Inamdar*, the Deputy Commissioner shall hold a formal enquiry, and if satisfied that it is necessary to take over the village, he shall make a recommendation to Government. Similarly when an *Inamdar* or where the village is held in shares or *vritties*, not less than 50 per cent of the *vrittidars* apply to the Deputy Commissioner that the village should be taken under Government management on account of misunderstandings between them and their tenants, or on account of disputes amongst themselves or for other valid reasons, the Deputy Commissioner shall hold a formal enquiry and if satisfied that the village should be taken over, he shall make a recommendation to Government. Government may thereupon order the Deputy Commissioner or any other officer of Government to assume the management of such village temporarily on behalf of Government. Management assumed under this Section shall not be for a period of less than 8 years and 9 per cent of the revenue of the village shall be charged to the *Inamdar* towards the cost of administration."

9. To Section 193 of the said Code, the following clause shall be inserted between the two clauses beginning with "and all moneys due" and "and also all sums declared.....," "and all sums due from a tenant in an alienated village as contribution, in respect of any irrigation work, under a contract which provides that they shall be recoverable as arrears of land revenue."

10. Section 236 of the Land Revenue Code shall be omitted.

11. In Section 237 of the said Code, the proviso, at the end, shall be omitted and for the colon at the end of the first portion of the Section, a full stop shall be substituted.

Statement of objects and reasons.

In passing orders on the recommendations of the Committee appointed for suggesting measures for improving the condition of tenants in *inam* and *jodi* villages,

Government accepted several of the recommendations and stated that necessary changes would be made in the existing law. With a view to implement the orders, it is proposed to amend the Land Revenue Code as hereunder :—

It is proposed to delete Section 236 and amend sections 237 and 111 so as to enable Government to introduce Survey and Settlement compulsorily into *inam* villages. The amendment provides that in so introducing settlement, the interests of the tenants or the *jodidars* are not affected and that while the tenants get the benefit of the general rules as to the maximum extent of increase permissible over the existing assessment for the village and for the individual fields, the existing income of the *inamdars* is not reduced.

Sub-clause (*c*) of Section 99 which gives discretion to the *inamdar* to vary the time at which and the instalments in which the land revenue or rent shall be payable is proposed to be deleted so that the system of *khists* prevailing in Government villages may be invariably adhered to.

With a view to enlarge the scope for taking *inam* villages under Government management as recommended by the Inam Committee, it is proposed to add a new section after Section 119A to enable Government to assume the management of *inam* villages at the instance of either the tenants or the *inamdars* subject to certain conditions. Section 119A is also proposed to be amended so as to enable Government to take over the management of an *inam* village on account of the incapacity of the holder to manage the village or for other cause.

In order to secure for *kadim* tenants in alienated villages in a tract affected by adverse seasonal conditions, the benefit of remission in rent similar to that which may be granted by Government, in Government villages in the tract under the remission rules, it is proposed to insert a new section as Section 87A.

At present there is no provision of law under which contribution payable to a holder of an *inam* village under the terms of the *mutchalika* executed by a raiyat in respect of an irrigation work in the *inam* village, can be recovered as an arrear of revenue by summary process under the Land Revenue Code. To remove this difficulty

which stands in the way of the construction and restoration of irrigation works in *inam* villages, Section 193 is proposed to be suitably amended to provide for recovery by summary processes of contribution due from the *atchkatdars*.

Section 79 of the Code is proposed to be amended so as to reduce the period of continuous possession or payment of fixed rent on the part of a tenant for raising the presnmption of tenancy from 20 to 12 years. A new section is proposed to be added as Section 96B to empower Deputy Commissioners to decide all questions relating to nature of tenancy.

No. 974—L. C., dated Bangalore the 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to provide for the mixture of Alcohol with Petrol for use as Motor Fuel in Mysore.

Preamble.—Whereas it is expedient to make provision for the development of the Power Alcohol Industry in the State by requiring its compulsory admixture with petrol for use as motor fuel; It is hereby enacted as follows :—

1. (i) *Short Title and Extent.*—This Act may be called the Mysore Power Alcohol Act, 193.

(ii) It extends to the whole of Mysore.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context—

(*a*) "Distillery" means any premises wherein or

within the precincts of which alcohol is distilled from molasses;

(b) "Petrol" means dangerous petroleum as defined in the Mysore Petroleum Act, I of 1923.

(c) "Alcohol" means ethyl alcohol of not less than 99·5 per cent purity with the addition of suitable denaturant that may be prescribed under the rules.

Power to direct sale of mixture.

3. (i) The Government may, by notification in the official Gazette, direct that in any local area no petrol shall, from such date as may be specified in such notification, be sold or kept for sale except with an admixture of anhydrous alcohol manufactured in the State.

(ii) The alcohol to be employed for such admixture shall be obtained from a distillery established by or with the sanction of Government and the price to be paid to the owner of the distillery for the alcohol shall be fixed by Government from time to time.

(iii) The proportions of petrol and alcohol in such mixture shall be as notified by Government in respect of each local area and may be enhanced or reduced from time to time but the proportion of alcohol in the mixture shall in no case be more than 25 per cent or less than five per cent by volume.

Levy of excise duty.

4. Government may levy an excise duty on alcohol intended for admixture with petrol sold by any distillery governed by this Act at rates to be fixed by a notification published in the official Gazette.

Punishment.

5. Whoever contravenes the provisions of Section 3 shall be punishable with fine which may extend to one thousand rupees and in the case of a continued contravention with a further fine which may extend to one hundred rupees for every day during which the contravention is continued after conviction therefor.

Prosecution to be authorised.

6. No prosecution under this Act shall be instituted except under the authority of a District Magistrate.

Offences by whom to be tried.

7. No offence made punishable by this Act or by any rule made thereunder shall be tried by a court inferior to that of a Magistrate of the First Class.

8. (i) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

Power to make rules.

(ii) In particular and without prejudice to the generality of the foregoing power, such rules may—

(a) prescribe specifications and tests in respect of the purity of alcohol intended for

admixture with petrol in order to ensure its suitability for use on motor vehicles;

(b) provide for determining the price to be paid to the owner of a distillery for alcohol supplied for purposes of admixture with petrol;

(c) provide for imposing and collecting a duty of excise on alcohol intended for admixture with petrol;

(d) prescribe conditions in respect of the transport and storage of alcohol intended for admixture with petrol and for the manner in which the admixture is to be effected;

(e) prescribe the submission by the manufacturer of alcohol and importers and distributors of petrol of returns regarding the quantities of anhydrous alcohol and petrol, manufactured, purchased, stored and sold.

(iii) Rules made under this Act may provide that any contravention of such rules shall render the offender liable, on conviction before a Magistrate, to a fine not exceeding five hundred rupees.

Exemption of petrol used for aviation.

9. Nothing contained in this Act shall apply to petrol required for aviation.

Statement of objects and reasons.

The profitable disposal of molasses is a problem that is facing the Sugar Industry in India and the suggestion has been made that a way may be found for the disposal of a portion of the alcohol made from molasses by prescribing that the fuel used in motor vehicles should contain a percentage of anhydrous alcohol blended with petrol. Such a mixture has been prescribed in a number of countries to encourage the use of local materials to some extent and to minimise dependence on imported supplies of motor fuel.

Investigations in India and abroad have shown that the mixture, provided the alcohol is not less than 99·5 per cent purity and its proportion is limited to about 25 per cent, is not less efficient in its fuel value than petrol and that its anti-knock properties constitute an advantage for the smooth running of vehicles. No change is called for in the mechanism of the engine or any other part of

the motor and the mixture can be used in the same manner as petrol.

The Mysore Sugar Company expect to have the plant for the manufacture of anhydrous alcohol before the end of the year and the object of this Bill is to enable Government to prescribe in respect of areas notified for the purpose that anhydrous alcohol should be mixed with petrol before it is sold to the public, to prescribe the percentage of alcohol, its purity and price, to prescribe the rate of excise duty to be levied on alcohol and to provide for punishments for the contravention of the Act or rules to be made thereunder.

Necessary arrangements will be made with the petrol companies for the proper blending and sale of the mixture and to regulate the price at which the mixture is sold.

No. 980—*L. C. dated Bangalore,* 15*th November* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Cattle Trespass Act, 1871, is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill further to amend the Cattle Trespass Act, 1871.

Whereas it is expedient further to amend the Cattle Trespass Act, 1871; It is hereby enacted as follows :—

In Section 14 of the Cattle Trespass Act, 1871,—

(*a*) In paragraph *one* after the words "seven days" the following words shall be inserted, namely "or within three days in the case of asses impounded", and

(*b*) In paragraph *three* after the words "seven days" the following words shall be inserted, namely, "or within four days in the case of asses impounded."

Statement of objects and reasons.

Under Section 14 of the Cattle Trespass Act, 1871, asses impounded in the cattle pounds of the local bodies shall have to be disposed of by auction only after a detention of 14 days. It is found by experience that such a procedure results in loss especially to the municipal councils concerned, the realisations by the sale of the impounded asses after the prescribed period of 14 days being considerably less than the feeding charges incurred by the local body during the period. In order to overcome this difficulty, it is proposed to reduce the period of detention of asses in pounds from 14 days to 7 days. The Bill is intended to give effect to this decision.

No. 975—*L. C., dated Bangalore the* 11*th November* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the establishment and better regulation of Agricultural Markets in Mysore is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,

Mysore Legislative Council.

Bill to provide for the establishment and the better regulation of Agricultural Markets in Mysore.

Preamble.—Whereas it is expedient to provide for the establishment of open markets for the purchase and sale of cotton and of other agricultural produce in the State and for the better regulation of such markets: It is hereby enacted as follows.—

1. *Short Title.*—This Act may be called the Mysore Agricultural Produce Market Act, 193—.

2. *Extent and Commencement.*—It extends to the whole of Mysore. It shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

3. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context :—

(*a*) "Agricultural Produce" means any produce of agriculture or horticulture and includes all produce of animals and their hides, skins and wool, and any article of food or drink wholly or partially manufactured from agricultural produce and declared by the Government of His Highness the Maharaja of Mysore by notification in the official Gazette to be agricultural produce for the purpose of this Act.

(*b*) "Cotton" includes ginned cotton, unginned cotton and cotton waste.

(*c*) "Market" means a market established under Section 4.

(*d*) "Grower of cotton or other agricultural produce" shall not include a dealer or broker in cotton or other agricultural produce although such a person may grow the same. If a question arises whether any person is a grower or not for the purpose of this Act, the decision of the deputy commissioner of the district in which the person permanently resides shall be final.

(*e*) "Local body" means the district board, municipal committee or a union board, duly constituted, as the case may be.

(*f*) "Notified area" means an area notified under Section 4.

(*g*) "Prescribed" means prescribed by the rules or the bye-laws under this Act.

4. (1) *Notification regarding the establishment of an Agricultural Produce or Cotton Market.*—The Government may, after consulting the district board and such other local authorities as they deem necessary or upon a representation made by such local authorities, by notification in the official Gazette, declare that any place shall be a market established under this Act either for agricultural produce or for cotton or for both.

(2) Every such notification shall define the limits of the markets so established, and may, for the purposes

of this Act, include within such limits such local area as the Government may prescribe.

5. *The Market Committee.*—For every market there shall be a market committee. The market committee shall be constituted as prescribed and shall consist of not less than twelve and not more than sixteen members. Of these, not less than half shall be persons elected by or nominated from among the growers of agricultural produce or cotton of such area as the Government may prescribe, one shall be a member nominated by the Government, one shall be elected by the district board of the district in which the market for cotton or agricultural produce is situated, one by the municipality, if any, of the area in which the market is situated, and the remainder shall be elected by the traders in the market in such manner as may be prescribed.

It shall be the duty of the market committee to enforce the provisions of this Act and the rules and bye-laws made thereunder in such notified area, for the purpose of regulating the purchase and sale of agricultural produce.

6. *Rules.*—(1) The Government may, either generally, or specially for any market or group of such markets, make rules consistent with this Act for the purpose of the management and regulation of such markets under this Act.

(2) In particular, and without prejudice to the generality of the foregoing power such rules may provide for or regulate:—

(i) the election and nomination of members of the market committee, the number of members to be nominated or elected by such of the bodies or groups of individuals referred to in Section 5 and the manner of nomination or election, the preparation and revision of lists of voters from time to time, the payment of all expenditure in connection with or incidental to such nomination or election and the terms of office of such members;

(ii) the powers to be exercised by the market committee;

(iii) the election of the chairman of such committee and his term of office;

(iv) the filling of casual vacancies in the offices of members or in the office of the chairman of the committee;

(v) the management of the market and the prescribing of the fees by the market committee, and, subject to the provisions of this Act, the collection and disposal of such fees;

(vi) the issue by the market committee of licences to brokers, weighmen, measurers, surveyors and warehousemen and other persons using the market, the form in which and the conditions under which such licences shall be issued, and the fees to be charged for such licences;

(vii) the place or places at which cotton or agricultural produce shall be weighed or measured and the kind and description of scales, weights and measures to be used at such place or places;

(viii) the periodical inspection, verification and correction of all scales, weights and measures in use in the market;

(ix) the trade allowances which may be made or received by any person in any transaction in an agricultural produce in a market;

(x) the provision of any facilities for the settlement of any dispute between a buyer and a seller of any agricultural produce in the market or their agents including disputes regarding the quality or weight of the cotton or agricultural produce, the price or rate to be paid, the allowances for wrappings, dirt or impurities or deductions for any cause;

(xi) the prohibition of brokers from acting on behalf on both the buyer and seller in any transaction;

(xii) the manner in which the auctions shall be conducted and bids made and accepted in any market;

(xiii) the provision of storage arrangements for cotton and agricultural produce brought into the market and charges to be levied for the same;

(xiv) the preparation of the plans and estimates for works proposed to be constructed partly or wholly at the expense of the market committee, and the grant of sanction to such plans and estimates;

(xv) the form in which the accounts of the market committee shall be kept, the manner in which they shall be audited, and the time or times at which they shall be published as also the charges, if any, to be made for such audit;

(xvi) the preparation of an annual budget and its submission for sanction and reports and returns which shall be furnished by the market committee.

(xvii) the disposal of any surplus funds of the market committee;

(xviii) generally for the guidance of the market committee.

(3) Any such rules, may, when necessary, provide that any contravention thereof or of any of the conditions of any license issued thereunder shall, on conviction by a magistrate, be punishable with fine which may extend to five hundred rupees.

(4) (*a*) All rules made under this Section shall be subject to previous application.

(*b*) Any rule, shall, however, be liable to be rescinded or modified, subject to previous publication.

7. *Bye-laws.*—Subject to any rules made by the Government under the last preceding Section and with the previous sanction of such officer as may be appointed by Government in this behalf the market committee may, in respect of the market under its management, make bye-laws for the regulation of the business and the conditions of trading in such market and may provide that contravention thereof shall, on conviction by a magistrate, be punishable with fine which may extend to fifty rupees.

8. *Sub-committees and Joint Committees and Delegation of Powers.*—The market committee may appoint three or more of its members to be a sub-committee or to be a joint committee for the conduct of any work or works or to report on any matter or matters, and may delegate to any

one or more of its members such of its own powers as may be necessary.

(9) (1) *Appointments and Salaries of Servants of the Market Committee.*—Subject to such rules as may be made by the Government in this behalf, the market committee may employ such officers and servants as may be necessary for the management of the market and may pay such officers and servants such salaries as the committee thinks fit and shall have power to control and punish them. The committee may, in the case of any officer or servant of Government which it employs, pay such pension, contribution, gratuity or leave allowance as may be required by the regulations made by Government in this behalf and for the time being in force.

(2) The committee may also, in the case of any of its officers and servants provide for the payment to them of such leave allowances, pensions or gratuities as it deems proper; and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(3) The powers conferred by this Section on the market committee shall be exercised, subject to any rules which may be made in this behalf by the Government.

10. (1) *Contracts how executed.*—Every contract entered into by the market committee shall be in writing and shall be signed on behalf of the market committee by the chairman and two other members of the market committee.

(2) No contract other than a contract executed as provided in sub-section (1) shall be binding on a market committee.

11. (1) *The Market Committee Fund.*—All monies received by a market committee shall be paid into a fund to be called the "Market Committee Fund" and all expenditure incurred by the market committee under or for the purposes of this Act shall be defrayed out of the said fund, and any surplus remaining after such expenditure has been met shall be invested as may be prescribed in the rules made in this behalf.

(2) Every market committee shall pay to the Government, out of its fund, the cost of any special or additional staff employed by the Government, in consultation with the committee, for giving effect to the provisions of this Act, in the market concerned.

(3) The Government shall determine the cost of such special or additional staff and shall, where the staff is employed for the purposes of more than one market committee, apportion such cost among the committees concerned in such manner as they think fit. The decision of the Government determining the amount payable by any market committee shall be final.

12. *Purpose for which the Market Committee Fund may be expended.*—Subject to the provisions of Section 11, the market committee fund shall be expended for the following purposes only:—

(i) the maintenance and improvement of the market.

(ii) the construction and repair of buildings which are necessary for the purpose of such market and for the health, convenience and safety of the persons using it;

(iii) the pay, pensions, leave allowances, gratuities and pensions or provident fund contributions of the officers and servants employed by the market committee;

(iv) the expenses of and incidental to election;

(v) the acquisition of a site or sites for the market;

(vi) the provision and maintenance of standard weights and measures;

(vii) the payment of interest on loans that may be raised for purposes of the market and the provision of a sinking fund in respect of such loans;

(viii) the collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of the agricultural crops concerned, and

(ix) propaganda in favour of agricultural improvement and thrift.

13. *No Trade Allowance not recognised by Customs or Rules allowable.*—No trade allowance, other than an allowance prescribed by rules or bye-laws made under this Act, shall be made or received by any person in any transaction in a market established under this Act and no civil court shall, in any suit or proceeding arising out of any transaction in any such market, have regard to any trade allowance not so prescribed.

Explanation.—Every deduction other than deductions on account of deviation from sample when the purchase is made by reference to a sample, or on account of deviation from standard, when the purchase is made by reference to a known standard, or on accout of difference between the actual weight of the sacking and the standard weight, or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this Act.

14. *Market Committee to be a Body Corporate.*—Every market committee shall be a body corporate by the name of the "The Market Committee of..... .... and shall have perpetual succession and a common seal, and may sue and be sued in its corporate name, and shall be competent to acquire and hold property both moveable and immoveable, to lease, sell or otherwise transfer any moveable or immoveable property which may have become vested in or been acquired by it, and to contract and do all other things necessary for the purpose for which it is established.

15. (1) *Power to Borrow.*—Every market committee may, with the previous sanction of the Government, raise the money required for carrying out the purposes of this Act on the security of any property vested in and belonging to the market committee, and of any fees leviable by the market committee under this Act. The committee may, for the purpose of meeting the initial expenditure on lands, buildings and equipment required for establishing the market, obtain a loan from the Government.

(2) The conditions under which such money shall be raised and the time within which the same shall be repayable shall be subject to the previous sanction of Government.

16. (1) *Supersession of Market Committee.*—If in the opinion of Government a market committee is not competent to perform or persistently makes default in the performance of the duties imposed on it by or under this Act, or exceeds or abuses its powers, Government may, by an order published in the official Gazette, declare such market commiteee to be imcompetent, or in default, or to have exceeded or abused its powers, as the case may be and may supersede it.

Provided that before issuing a notification under this sub-section, the Government shall give a reasonable opportunity to the market committee for showing cause

against the proposal and shall consider the explanations and objections, if any, of the said committee.

(2) When a market committee has been superseded, all members of the committee shall as from the date of the order vacate their offices as members.

(3) When a market committee has been superseded, the Government may, at their discretion, by order, either constitute a new committee under Section 5, or make such arrangements for the carrying out of the functions of the committee as the Government think fit.

(4) When a market committee has been superseded all property and rights vested in it shall, subject to all charges and liabilities affecting the same, vest in Government.

Provided that if the Government make an order under sub-section 3, they shall transfer the assets and liabilities of the market committee as on the date of such transfer, to the new committee constituted under Section 5 or to the person, or persons if any, appointed for carrying out the functions of the committee, as the case may be.

Provided further that if no new market committee is constituted for the market under Section 5, all property that shall remain after the satisfaction of all the debts and liabilities of the superseded market commitee shall vest in the local authority of the area in which the market is situated for the purpose of any object of public utility in the said area.

Any local authority to which any assets have been transferred under the latter proviso shall employ such assets for any object of public utility in the area within its jurisdiction.

17. *No Private Market to be opened in or near places declared to be Markets.*—Wherever the Government has, by a notification under Section 4, declared any place to be a market no person shall, within the limits of such market or within a distance thereof to be notified in the official Gazette in this behalf in each case by Government, except with the sanction in writing of the Government expressed over the signature of a Secretary to Government and subject to such conditions as may be imposed in such sanction, set up, establish or continue or allow to be continued any market for the purpose of the purchase and sale of cotton or agricultural produce as the case may be.

Explanation.—A person shall not be deemed to set up, establish or continue or allow to be continued a place as a market for the purpose of the purchase and sale of cotton or agricultural produce if he sells his own cotton or agricultural produce outside the premises set apart by the market committee for the purpose of purchase and sale of cotton or agricultural produce.

18. *Penalties.*—Whoever in contravention of this Act, sets up, establishes, continues or allows to be continued any market for the purpose of the purchase and sale of cotton or agricultural produce or violates the conditions under which he has been allowed to set up, establish, or continue, any such market, shall on conviction by a magistrate be punished with fine which may extend to Rs. 500 and in case of a continuing breach of the provisions of Section 17, with fine which may extend to Rs. 100 for each day after the first, during which the breach continues.

19. *Offences to be triable only by a First Class Magistrate.*—(i) No offence under this Act or under any rule made under Sention 6 or under any bye-laws made under Section 7 shall be triable by a Magistrate other than a Magistrate of the First Class.

(ii) All fines and damages recovered from an offender shall be paid to the market committee.

(iii) Prosecutions under this Act may be instituted by any person duly authorised in writing by the market committee or by an officer designated by Government in this behalf.

Statement of objects and reasons.

Considering the disabilities under which the cultivator labours in selling his produce, the Royal Commission on Agriculture recommended the establishment of regulated markets as a most "hopeful solution of the cultivator's marketing difficulties." They considered that the establishment of regulated markets must form an essential part of any ordered plan of agricultural development in the country.

The facts elicited during the recent marketing surveys point to the same conclusion. These surveys have shown that owing to the prevalence of uneconomic and fraudulent practice in the marketing of agricultural produce, the

cultivator gets much less than his due share of the price paid by the ultimate consumer. The Marketing Officers' Conference held at Simla in September 1937 accordingly recommended legislation for the establishment of regulated markets in Provinces and States where such legislation had not already been introduced.

A similar recommendation has been made, with reference to cotton in the Chitaldrug District, by a Sub-Committee of the Board of Industries and Commerce in Mysore, which surveyed the conditions of cultivation and marketing of commercial crops in that District. It is believed that the cotton-growers and many of the merchants in cotton in the State also favour such legislation.

It is therefore proposed to introduce the accompanying Bill with a view to the establishment of regulated markets for cotton at Chitaldrug and Davangere, in the first instance. At the same time, the Bill is wide enough in its scope to admit of similar action being taken in other places and in respect of other agricultural produce (including dairy products) should the need and opportunity arise.

According to the Bill, Government may after consulting the local bodies concerned, declare any place as a market for specified agricultural produce. Subject to rules framed by Government, the market will be under the control of a committee in the composition of which the representatives of the growers as well as of the traders in the market will be represented. The Committee will be a body corporate administering the market fund and exercising the powers conferred upon it for regulating transactions, settling disputes, etc.

When a place has been declared as a market, no person may set up, continue or allow to be continued, any private market in the immediate vicinity of the regulated market except with the sanction of Government and on such terms as may be prescribed in such sanction. It is, however, to be noted that this will not preclude the grower of agricultural produce from selling or offering for sale such produce outside the premises of the market.

No. 976—L. C., dated Bangalore the 11th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the control of export of Tea from and extension of the cultivation of Tea in Mysore is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to provide for the control of export of Tea from and extension of the cultivation of Tea in Mysore.

Whereas it is expedient to provide for the control of export of Tea from and for the control of the extension of the cultivation of Tea in Mysore; It is hereby enacted as follows :—

Short title, extent, commencement and duration.

1. (1) This Act may be called the Mysore Tea Control Act 193 .
(2) It extends to the whole of Mysore.
(3) It shall come into force at once.
(4) It shall remain in force up to the 31st March 1943.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context,

(*a*) "Committee" means the Indian Tea Licensing Committee constituted by the Government of India under the Indian Tea Control Act, 193.

(*b*) "Export" means to take out of India by land, sea or air to any place specified by the Government in this behalf by notification in the official Gazette.

(*c*) "Owner" includes any agent of an owner;

(*d*) "Prescribed" means prescribed by rules under this Act;

(*e*) "Tea" means—

(1) in Chapter II and Chapter III, the plant *Camellia Thea* (Linn) and,

(2) elsewhere, the commodity known, as tea made from the leaves of the plant *Camellia Thea* (Linn), including green tea but excluding tea waste; and "Tea seed" includes seeds, roots, stumps, cuttings, buds and any living portion of the plant *Camellia Thea* (Linn) which may be used to propagate that plant.

CHAPTER I.

CONTROL OVER THE EXPORT OF TEA.

Limitation of application of Chapter.

3. Nothing in this Chapter shall apply to tea exported by post in package not exceeding one pound *avoirdupois* in weight.

Control of export of tea and tea seed.

4. (1) No tea shall be exported unless covered by a license issued by or on behalf of the Committee.

(2) No tea seed shall be exported unless covered by a permit issued by or on behalf of the Government.

CHAPTER II.

CONTROL OVER THE EXTENSION OF TEA CULTIVATION.

Method of control of extension of tea cultivation.

5. So long as this Act remains in force, no one shall plant tea in any land which was not planted with tea on the 31st day of March 1938, save in pursuance of a written permission granted by or on behalf of the Government.

Provided that this Section shall apply to the replacing of tea areas by planting new areas, but nothing in this Section shall prohibit the infilling of or supplying of vacancies on land planted with tea at the 31st day of March 1933, or the replanting of tea upon :—

(*a*) land planted with tea at the 31st day of March 1933, from which the original bushes have been uprooted, or

(*b*) land planted with tea at the 31st day of March 1931, from which the original bushes have been uprooted,

Limitations to the extension of tea cultivation.

6. (1) Subject to the provisions of Section 8 and Section 9, the total area of land in Mysore in respect of

which the permissions referred to in Section 5 may be granted, shall not exceed one-half of one per cent of the total area of the land planted with tea in Mysore on the 31st day of March 1938.

(2) Subject to the provisions of section 8 and section 9 the total area of land in Mysore in respect to which such permissions may be granted, shall be determined by the Government and shall be as near as may be one-half of one per cent of the total area in the State which was planted with tea on the 31st day of March 1938.

(3) The Government shall publish the total area so determined by notification in the official Gazette as soon as may be after the commencement of this Act.

(4) The Government shall grant permission for planting new area to the tea estates in accordance with rules to be prescribed up to the total area in the State as may be determined under sub-clause (3), provided that permission shall be granted to extend an existing area planted with tea only to a tea estate of which the total existing area planted with tea does not exceed 300 acres where the estate is owned by a limited liability company, or 150 acres where it is owned by any individual proprietor or proprietors.

Grant of permission to plant tea.

7. (1) Applications for permission to plant tea on any land not planted with tea on the 31st day of March 1938, shall be made to the Government not later than six months from the commencement of this Act and shall contain a clear statement of all special circumstances justifying the application.

(2) Subject to the limits laid down in Section 6, the Government may grant or refuse the permission applied for or may grant it in part only, or may call for further information from the applicant.

Grant of permission to plant tea in special circumstances.

8. Where any land which was on the 31st day of March 1933, planted with tea :—

(*a*) has since become wholly incapable of carrying tea through subsidence, flood, erosion, earthquake or other irresistable superhuman cause, or,

(*b*) has since been compulsorily acquired under the provisions of the Land Acquisition Act, 1894, or of any other law for the time being in force and no longer carries tea, the owner of

the tea estate in which such land was situated may apply to the Government for permission to plant tea on land not planted with tea.

(2) Upon such application being made and upon proof to the satisfaction of the Government that the applicant is entitled to the benefit of sub-section (1), the Government may grant permission to plant tea on land not planted with tea:

Provided that the area of land, in respect of which such permission is granted, shall be within the area of the same tea estate and shall not exceed in extent the area of the land incapable of carrying tea or compulsorily acquired as the case may be.

(3) All areas of land in respect of which permission to plant tea is granted under this Section shall be excluded when computing for the purposes of Section 6 the total area of land in respect of which the permissions referred to in Section 5 may be granted.

Tea Nurseries.

9. (1) Subject to the provisions of sub-section (4) the owner of a tea estate may establish nurseries on land not previously planted with tea for the growing of plants intended for infilling or supplying vacancies or for replanting land planted with tea within the area of the estate or for any other purpose approved by the Government.

Provided that the total area utilised for nurseries in Mysore shall not upon the 31 day of March 1943, exceed the area so utilised in Mysore on the 31st day of March 1933.

(2) All areas of land utilised for nurseries in accordance with this Section shall be excluded when computing for the purposes of Section 6 the total area of land in respect of which the permission referred to in Section 5 may be granted.

(3) The Government may at any time serve by post a notice upon the owner of any tea estate or upon his manager requiring him to furnish within such period not being less than thirty days as may be specified in the notice such returns relating to the area of the land utilised for nurseries as it may deem necessary.

(4) If any return required under sub-section (3) is not furnished within the period specified in the notice or if in the opinion of the Government the total area of the land utilised for nurseries is excessive, the Government may make such restrictive or other order as it deems

necessary and in particular may order the uprooting of any bushes planted on any such land.

Power to call for returns and to inspect.

10. (1) The Government may at any time serve by post a notice upon the owner of any tea estate or upon his manager requiring him to furnish within such period not being less than thirty days as may be specified in the notice such returns relating to the cultivation of tea on the estate as it may deem necessary.

(2) Any person authorised by the Government in this behalf may at any reasonable time enter upon and inspect the lands of any tea estate and may require the owner of the estate to produce for inspection any records of the tea estate in his control or custody relating to the cultivation of tea on the estate.

(3) Where any return required under sub-section (1) in respect of any tea estate is not furnished within the period specified in the notice, the Government may refuse to grant any permission under Section 7 to plant tea on that estate.

Delegation of powers.

11. (1) Government may delegate the powers conferred on it under Sections 5, 6, 7, 8, 9, 10 and 11 to the Committee.

(2) When the powers are so delegated to the Committee (*a*) any applicant aggrieved by an order of the Committee under Section 7, Section 8 or Section 9 may appeal to the Government within sixty days from the date thereof and the Government may cancel, modify or suspend any such order; (*b*) the records of the Committee relating to the proceedings under this chapter shall be open to inspection at all reasonable times by any officer, authorized in this behalf by the Government; (*c*) no order under sub-section (2) of Section 7 shall be called in question by any court.

CHAPTER III.

Penalties and Procedure.

Penalty for making false return.

12. Any owner of a tea estate or his agent or manager who has furnished any return under sub-section (3) of Section 9 or under sub-section (1) of Section 10 containing any particular which is false and which he knows to be false or did not believe to be true shall be punishable with fine which may extend to one thousand rupees.

Penalty for obstructing inspection.

13. Whoever obstructs any person authorised by the Government while such person is entering upon or inspecting the lands of any tea estate under sub-section (2) of Section 10 and whoever, having control over or custody of any records of a tea estate relating to the cultivation of tea on that estate, refuses or fails to produce such records when required by the Government or by a person authorized by the Government under that sub-section shall be punishable with fine which may extend to one thousand rupees.

Penalty for illicit cultivation.

14. (1) Whoever knowingly plants tea or causes tea to be planted in any land in contravention of Section 5 shall be punishable with fine which may extend to one thousand rupees for the first offence, and with fine which may extend to five thousand rupees for any subsequent offence.

(2) Whoever uses any land in contravention of any order made by the Government or the Committee under Section 9 or fails to comply with any order made by the Government or the Committee under sub-section (4) of Section 9 shall be punishable with fine which may extend to one thousand rupees.

Removal of tea planted without permission.

15. Where any person has been convicted of any offence under Section 14 the convicting Court may direct that the tea in respect of which the offence was committed shall be removed from the land within a specified time, and, in the event of the order not being duly complied with, may cause the tea to be removed and may recover the cost from the person convicted as if it were arrears of land revenue due on the tea estate on which the offence was committed.

Trial of offences under sections. 12, 13, 14.

16. No Magistrate other than a magistrate of the First Class shall take cognizance of an offence under Sections 12, 13 and 14 and such magistrate may take congnizance of an offence only upon complaint made by the officer duly approved by Government and with previous sanction of the Government.

CHAPTER IV.

Rules.

Rules.

17. (1) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) All rules made under this Act shall be published in the official Gazette and on such publication shall have effect as if enacted in this Act.

(3) Such rules may provide that a breach thereof shall be punishable with fine which may extend to Rs. 1,000.

Statement of objects and reasons.

In accordance with an international Scheme for restricting the production of tea, the Indian Tea Control Act, 1933 was enacted in British India. At the request of the holders of tea lands in Mysore the Scheme was given effect to in Mysore by Notification No. Camp D. 46—A. & E. 219-33-16, F. dated 19th June 1934, restricting the extension of tea cultivation in the State. No legislation was then considered necessary as the cultivation of tea in Mysore was confined to a small extent.

The Tea Control Act, 1933 expired on 31st March 1938 in British India. But the representatives of tea industry in India, Ceylon and the Netherlands Indies executed an agreement for the renewal of the Scheme for a further period of five years from 1st April 1938. The Government of India have accordingly enacted Act VIII of 1938. The Scheme has also been extended in Mysore up to and inclusive of 31st March 1943 by Notification No. D. 8535—A. & E. 80-37-4, dated 7th May 1938. According to the Scheme, export of tea is controlled by the issue of licences by a committee in which South Indian Tea Estates will also be represented. The licences will extend to export quotas fixed on a crop basis. But according to Section 25 of the Indian Tea Control Act, 1938 licences for the export of tea produced in an Indian State are to be issued only where legislation enacted in any such State provides for the control of tea from and for the control of the extension of the cultivation of tea in the State. It has therefore become necessary to introduce a measure providing for these so that the benefits of the Scheme may be availed of by the owners of tea estates in Mysore.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1565—*R. T.* 7-38-5, *dated Bangalore, the* 25*th November* 1938.

The following draft amendment which the Government propose to make, in virtue of the powers vested in them under Sections 4 and 33 of the Mysore Road Traffic and Taxes Act VI of 1935, to Rule 1 of the Rules issued with Notification No. P. 3418—Legis. 46-35, dated 25th November 1935, as amended from time to time, is hereby published for general information and any suggestions in respect of the said draft received on or before the 3rd December 1938 will be considered by Government.

DRAFT AMENDMENT.

Under *Ex-officio* Members, for "One of the Members of Council" in Rule 1 of the abovesaid rules, substitute "Secretary to Government, Electrical Department, and Adviser to Government in Railway matters," and omit the word "Chairman" in brackets.

Below the end of *Ex-officio* Members, add " The Government may appoint one of the *Ex-officio* Members as Chairman of the Board."

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 4578—*C. S.* 14-38-15, *dated Bangalore* 18*th*—23*rd November* 1938.

In exercise of the powers vested in them under Section 44 (2) (h) of the Mysore Co-operative Societies Act VII of 1918, as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to direct that for Rule 13 published in Notification No. 326—E. C. 66-18-13, dated the 9th July 1920, the following shall be substituted :—

" 13. On or before a date to be fixed in the bye-laws, which shall not be less than 15 days before the date fixed for the Annual General Meeting, the Committee shall publish an annual balance-sheet showing the assets and the liabilities of the society, a profit and loss account and a statement of receipts and payments. The balance sheet, the profit and loss account and the statement of receipts and payments, the Auditor's Report and the Committee's replies to the observations of the Auditor and Notes of Inspection, if any, of the society by the Registrar or of his Assistants, shall be open to the inspection of any member during office hours at the office of the society. Copies of the balance-sheet, the profit and loss account and the statement of receipts and payments, the Auditor's report and the Committee's replies to the observations of the Auditor, and such extracts from the Notes of Inspection of the society by the Registrar or his Assistants, as the Registrar may direct, shall be sent to all the members of the society along with the Annual Report. The Registrar shall have power to exempt any societies or class of societies from the operation of this Rule to such extent as he may deem fit."

By Order,

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

No. 990—L. C., Bangalore, dated the 22nd November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Patents and Designs Act, 1925, is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to amend the Patents and Designs Act, 1925.

Whereas it is expedient to amend the Patents and Designs Act, 1925; it is hereby enacted as follows:—

Short Title.

1. This Act may be called the Mysore Patents and Designs (amendment) Act, 193 .

Amendment of Section 2, Act III of 1925.

2. In section 2 of the Mysore Patents and Designs Act, 1925, hereinafter referred to as the said Act,—

(*a*) for clause (4), the following clause shall be substituted, namely:—

"(4) 'design' means only the features of shape, configuration, pattern or ornament, applied to any article, by any industrial process or means whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything which is in substance a mere mechanical device and does not include any trade mark as defined in section 478 or property mark as defined in section 479 of the Indian Penal Code as in force in Mysore."

(*b*) for clause (10) the following clause shall be substituted, namely:—

"(10) 'patentee' means the person for the time being entered on the register of patents kept under this Act as the grantee or proprietor of the patent,"

(c) in clause (12), after the words "proprietor of a new," the word "or" shall be substituted for the word "and."

Amendment of Section 5, Act III of 1925.

3. In section 5 of the said Act,—

(a) in sub-section (1),—

(i) in clause (b) the words "or relate to more than one invention" shall be omitted:

(ii) the following clause shall be inserted after clause (e), namely:—

"or (f) the specification relates to more than one invention;" and

(iii) at the end of section 5(1), the following proviso shall be inserted:—

"Provided that, when a specification comprises more than one invention, the application shall, if the controller or the applicant, so requires, be restricted to one invention and the other inventions may be made the subject-matter of fresh applications; and any such fresh application shall be proceeded with as a substantive application, but the controller may, in his discretion, direct that any such fresh application made before the acceptance of the original application, shall bear the date of the original application or such later date as he may fix, and the fresh application shall be deemed, for the purposes of this Act, to have been made on the date which it bears in accordance with such direction"; and

(b) in sub-section (4), the following proviso shall be substituted for the existing proviso, namely:—

"Provided that where, before or within three months after the expiration of the said period of twelve months a request is made to the controller for an extension of time by any period not exceeding three months, the application shall, on payment of the prescribed fee, be continued or revived, as the case may be, during but not beyond, the period of extension so requested."

Omission of Section 8, Act III of 1925.

4. Section 8 shall be omitted.

Amendment of Section 9, Act III of 1925.

5. In section 9 of the said Act, in sub-sections (1) and (2), for the words "three months" the words "four months" shall be substituted.

6. In section 10 of the said Act :— Amendment of Section 10, Act III of 1925.

(*a*) after sub-section (1) the following sub-section shall be inserted, namely :—

"(1-A) Notwithstanding anything contained in sub-section (1) where :

(*a*) an applicant has agreed in writing that on the grant to him of a patent he will assign it to another party or to a joint applicant and refuses to proceed with the application, or

(*b*) disputes arise between joint applicants as to proceeding with an application,

the controller, if he is satisfied of the existence of such agreement, or in any other case, that any joint applicant or applicants ought to be allowed to proceed alone, may direct that such other party or joint applicant or applicants may proceed with the application accordingly and may grant a patent to him or them as the case may be :

Provided that—

(i) the controller shall not give any such direction until every party interested has had an opportunity of being heard by him, and

(ii) an appeal from any such direction shall lie to the Government."

(*b*) in sub-section (2).—

(i) in clause (*b*) of the proviso, the words "or, by a reference under section 8" shall be omitted,

(ii) for clause (*d*) of the proviso, the following clause shall be substituted, namely :—

"(*d*) where for any reason a patent cannot be sealed within the period allowed by any of the foregoing provisions of this section, that period may, on payment of the prescribed fee and on compliance with the prescribed conditions, be extended to the extent applied for but not exceeding three months."

7. In the proviso to section 11 of the said Act, for the words "the publication of the specification" the words "the advertisement of the acceptance of the application" shall be substituted. Amendment of Section 11, Act III of 1925.

Amendment of section 13, Act III of 1925.

8. In section 13 of the said Act, for sub-section (2), the following sub-section shall be substituted, namely :—

"(2) where a patent has been revoked by the High Court on the ground that it has been obtained in fraud of the true and first inventor, or where the grant of a patent has been refused by the controller under section 9 on the ground stated in clause (a) of sub-section (1) of that section, the controller may, on the application of the true inventor or his legal representative or assignee made in accordance with the provisions of this Act, grant to him a patent for the whole or any part of the invention, and the patent so granted shall bear the same date as the patent so revoked or, in the case of a patent the grant of which has been refused, the same date as would have been borne by the patent if it has been granted:

Provided that no suit shall be brought for any infringement of the patent so granted committed before the actual date when such patent was granted."

Amendment of section 14, Act III of 1925.

9. In section 14 of the said Act,—

(*a*) in sub-section (1), for the words "fourteen years" the words "sixteen years" shall be substituted;

(*b*) after sub-section (1), the following sub-sections shall be inserted, namely :—

"(1-A) Any patent, the original term of which had not expired on or before the first day of.... .....193 , shall have effect as if the term mentioned therein was sixteen years instead of fourteen years, and any licence existing at that date which has been granted for the term of the patent shall be treated as having been granted for the term as so extended if the licensee so desires.

(1-B) Where any party to a contract with the patentee or any other person entered into before the first day of .....193 , is subjected to loss or liability by reason of the extension of the term of any patent under this section, any District Court having jurisdiction, may determine in what manner and by which parties such loss or liability shall be borne."

(c) for the proviso in sub-section (2), the following proviso shall be substituted, namely :—

"Provided that where the patentee, before, or within three months after the expiration of the time for payment, applies to the controller for an extension of time by any period not exceeding three months, the patent shall, on payment of such additional fee as may be prescribed, be continued or revived, as the case may be, during, but not beyond, the period of extension applied for."

10. In section 15 of the said Act— Amendment of Section 15, Act III of 1925.

(a) in sub-section (1),—

(i) the words "after advertising in the prescribed manner his intention to do so" shall be omitted, and

(ii) after the words "prescribed fee," the words "and must be advertised by the patentee within the prescribed time and in the prescribed manner" shall be added;

(b) in sub-section (2), after the word "may" and before the words "give notice," the words "within such time as may be prescribed and on payment of the prescribed fee" shall be inserted;

(c) in sub-section (6), for the words "seven" and "fourteen," the words "five" and "ten" shall be substituted.

11. After section 15, the following section shall be inserted, namely:— Insertion of new section 15-A in Act III of 1925.

"15-A. (1) Where a patent for an invention has been applied for or granted, and the applicant or the patentee, as the case may be, applies for a further patent in respect of any improvement in or modification of the invention, he may in his application for the further patent request that the term limited in that patent for the duration thereof be the same as that of the original patent or so much of that term as is unexpired, and if he does so, a patent (hereinafter referred to as a patent of addition) may be granted for such term as aforesaid.

(2) Save as otherwise expressly provided by this Act, a patent of addition shall remain in force as long as the patent for the original invention remains in force, but

no longer, and in respect of a patent of addition no fees shall be payable for renewal:

Provided that if the patent for the original invention is revoked, then the patent of addition shall, if the authority by which it is revoked so orders, become an independent patent, and the fees payable, and the dates when they become payable, shall be determined by its date, but its duration shall not exceed the unexpired term of the patent for the original invention;

(3) The grant of a patent of addition shall be conclusive evidence that the invention is a proper subject for a patent of addition, and the validity of the patent shall not be questioned on the ground that the invention ought to have been the subject of an independent patent."

Amendment of Section 18, Act III of 1925.

12. In section 18 of the said Act, after the word "disclaimer" and before the words "in such manner," the words "correction or explanation" shall be inserted.

Amendment of Section 19, Act III of 1925.

13. In section 19 of the said Act, for the words "before the disclaimer, correction or explanation," the words "before the date of the decision allowing the amendment" shall be substituted.

Amendment of Section 20, Act III of 1925.

14. In sub-section (4) of section 20 of the said Act, the words beginning with "and, unless" and ending with "affecting a patent" shall be omitted.

Substitution of new section for Section 21, Act III of 1925.

15. For section 21 of the said Act, the following sections shall be substituted, namely:—

"21 (1) subject to the other provisions of this section, a patent shall have to all intents the like effect as against the Government of Mysore as it has against a subject.

(2) The officers or authorities administering any department of the service of the Government of Mysore may, by themselves or by such of their agents, contractors or others as may be authorised in writing by them, at any time after the application, and after giving notice to the applicant or patentee, make, use or exercise the invention for the service of the Government on such terms as may, either before or after the use thereof, be agreed on, with the approval of the Government, between such officers or authorities and the applicant or patentee, or in default of agreement as may be settled in the manner hereinafter provided. And the terms of any agreement or licence concluded between the applicant or patentee and any

person other than such officers or authorities, shall be inoperative as far as concerns the making, use or exercise of the invention for the service of the Government.

(3) Where an invention which is the subject of any patent has, before the date of the patent, been duly recorded in a document by, or tried by or on behalf of, the officers or authorities administering any department of the service of the Government (such invention not having been communicated directly or indirectly by the applicant or patentee) such officers or authorities, or such of their agents, contractors or others, as may be authorised in writing by them, may, after giving notice to the applicant or patentee, make, use or exercise the invention so recorded or tried for the service of the Government, free of any royalty or other payment to the applicant or patentee, notwithstanding the existence of the patent. If, in the opinion of such officers or authorities, the disclosure to the applicant or patentee as the case may be, of the document recording the invention or the evidence of the trial thereof, if required, would be detrimental to the public interest, it may be made confidentially to counsel on behalf of the applicant or patentee, or to any independent expert mutually agreed upon.

(4) In the event of any dispute as to the making, use or exercise of an invention under this section, or the terms therefor, or as to the existence or scope of any record or trial as aforesaid, the matter shall be referred to the High Court for decision, who shall have power to refer the whole matter or any question or issue of fact arising thereon to be tried before a special or official referee or an arbitrator upon such terms as it may direct. The Court, referee or arbitrator, as the case may be, may, with the consent of the parties, take into consideration the validity of the patent for the purposes only of the reference and for the determination of the issues between the applicant or patentee and such officers or authorities. The Court, referee or arbitrator, further, in settling the terms as aforesaid, shall be entitled to take into consideration any benefit or compensation which the applicant or patentee, or any other person interested in the patent, may have received directly or indirectly from the Government or from such officers or authorities in respect of such patent :

Provided that, if the inventor or patentee is a Government servant and the subject matter of the invention is certified by the Government, to be connected with work done in the course of such service, any such dispute shall be settled by the Government after hearing the applicant or patentee and any other person having an interest in the invention or patent.

(5) The right to use an invention for the services of the Government under the provisions of this section, or any provisions for which this section is substituted, shall include and shall be deemed always to have included, the power to sell any articles made in pursuance of such right which are no longer required for the services of the Government.

(6) Nothing in this section shall affect the right of the Government or of any person deriving title directly or indirectly from the Government to sell or use any articles forfeited under any law for the time being in force relating to excise."

Amendment of Section 22, Act III of 1925.

16. In section 22 of the said Act.—

(*a*) in sub-section (1) for the words beginning with "reasonable requirements" and ending with the words "satisfied" the words "the demand for a patented article in Mysore is not being met to an adequate extent and on reasonable terms" shall be snbstituted;

(*b*) in sub-section (4),—

(i) for the words beginning with "the reasonable requirements" and ending with "not been satisfied," the words "the demand for the patented article in Mysore is not being met to an adequate extent and on reasonable terms" shall be substituted; and

(ii) for the words "the reasonable requirements of the public will not be satisfied" the words "the demand will not be adequately met" shall be substituted;

(*c*) in sub-section (5),—

(i) for the words "the reasonable requirements of the public shall not be deemed to have been satisfied" the words "the demand for a patented article shall not be deemed to have been met to an adequate extent and on reasonable terms" shall be substituted;

(ii) in clause (a) the words beginning with "or the demand" and ending with "reasonably met" shall be omitted; and

(iii) in clause (b) the words "before or after the commencement of this Act" shall be omitted;

(*d*) sub-section (6) shall be omitted.

17. In section 23 of the said Act,—

(*a*) in sub-section (1), for the words "for the revocation of the patent" the words "for relief under this section" shall be substituted; and

Amendment of Section 23, Act III of 1925.

(*b*) in sub-section (2)—

(i) after the words "an order" and before the word "revoking" the letter and bracket "(a)" shall be inserted; and

(ii) after clause (ii) the following shall be added, namely :—

(*b*) "or ordering the patentee to grant a licence to the applicant which may be a licence exclusive to him or otherwise as the Government may direct."

18. After section 23 of the said Act, the following section shall be inserted, namely :—

Insertion of new Section 23 A in Act III of 1925.

"23A. An order of the High Court under Section 22 or of the Government under Section 22 or Section 23 directing the grant of any licence shall, without prejudice to any other method of enforcement, operate as if it were embodied in a deed granting a licence and executed by the patentee and all other necessary parties."

Operation of order under Section 22 or Section 23.

19. In clause (g) of sub-section (1) of section 26 of the said Act, before the words "a part" wherever they occur, the words "the whole or" shall be inserted.

Amendment of Section 26, Act III of 1925.

20. In sub-section (1) of Section 34 of the said Act, for the words "either of" the word "all" shall be substituted.

Amendment of Section 34, Act III of 1925.

21. After section 34 of the said Act, the following section shall be inserted, namely :—

Insertion of new Section 34A in Act III of 1925.

"34A. Notwithstanding anything contained in Section 19, if the Court in any action for infringement of a patent finds that any one or more of the claims in the specification in respect of which the infringement is alleged are valid, it may, subject to its discretion as to costs and as to the date from which damages should be reckoned

Grant of relief in respect of particular claims.

and to such terms as to amendment as it may deem desirable, grant relief in respect of any of such claims which are infringed without regard to the invalidity of any other claim in the specification. In exercising such discretion the Court may take into consideration the conduct of the parties in inserting such invalid claims in the specification or permitting them to remain there."

Amendment of Section 35, Act III of 1925.

22. In section 35 of the said Act,

(i) for the words "to be the patentee of an invention" the words "to have an interest in a patent" shall be substituted :—

(ii) for the words "any legal rights of the person making such threats" the words "the patent" shall be substituted, and

(iii) in the proviso, for the words beginning with "if the person" and ending with the words "this patent" the words "if an action for infringement of the patent is commenced and prosecuted with due diligence" shall be substituted.

Amendment of Section 41, Act III of 1925.

23. In section 41 of the said Act,

(i) in clause (a) for the word "and" the word "or" shall be substituted,

(ii) after clause (b) the following proviso shall be added, namely,

"Provided that such subsequent registration shall not extend the period of copyright in the design beyond that arising from previous registration."

Insertion of new Sections 48A and 48B in Act III of 1925.

24. After section 48 of the said Act, the following sections shall be inserted, namely :—

Cancellation of Registration.

"48A. (1) Any person interested may present a petition for the cancellation of the registration of a design—

(*a*) at any time after the registration of the design to the High Court on any of the following grounds, namely :—

(i) that the design has been previously registered in Mysore; or

(ii) that it has been published in Mysore prior to the date of registration; or

(iii) that the design is not a new or original design; or

(*b*) within one year from the date of the registration, to the Controller on either of the grounds specified in sub-clauses (i) and (ii) of clause (*a*).

(2) An appeal shall lie from any order of the Controller under this Section to the High Court, and the Controller may at any time refer any such petition to the High Court, and the High Court shall decide any petition so referred.

Registration of design to bind the Government.

48B. The provisions of section 21 shall apply to registered designs as if those provisions were re-enacted herein and in terms made applicable to registered designs."

Amendment of Section 59, Act III of 1925

25. Clause (*b*) of section 59 of the said Act shall be omitted.

Substitution of new section for Section 60, Act III of 1925.

26. For section 60 of the said Act, the following section shall be substituted namely :—

"60. (1) Where a person becomes entitled by assignment, transmission or other operation of law to a patent or to the copyright in a registered design, he may make application to the Controller to register his title, and the Controller shall, on receipt of such application and on proof of title to his satisfaction, register him as the proprietor of such patent or design, and shall cause an entry to be made in the prescribed manner in the register of the assignment, transmission or other instrument affecting the title.

(2) Where any person becomes entitled as mortgagee, licensee or otherwise to any interest in a patent or registered design he may make application to the Controller to register his title, and the Controller shall, on receipt of such application and on proof of title to his satisfaction, cause notice of the interest to be entered in the prescribed manner in the register of patents or designs, as the case may be, with particulars of the instrument, if any, creating such interest.

(3) The person registered as the proprietor of a patent or design, shall, subject to the provisions of this Act and to any rights appearing from the register to be vested in any other person, have power absolutely to assign, grant licenses as to, or otherwise deal with, the patent or design and to give effectual receipts for any consideration for any such assignment, license or dealing:

Provided that any equities in respect of the patent or design may be enforced in like manner as in respect of any other moveable property.

(4) Except in the case of an application made under section 61, a document or instrument in respect of which no entry has been made in the register in accordance with the provisions of sub-sections (1) and (2) shall not be admitted in evidence in any court in proof of the title to a patent or to copyright in a design or to any interest therein, unless the Court, for reasons to be recorded in writing, otherwise directs."

Amendment of Section 61, Act III of 1925.

27. In section 61 of the said Act

(*a*) in sub-section (1) for the words "The High Court" the words "The Controller" and for the words "as it may think fit" the words "as he thinks fit" shall be substituted;

(*b*) in sub-section (2) for the word "Court" the word "Controller" shall be substituted;

(*c*) for sub-section (3) the following sub-section shall be substituted, namely:—

"(3) An appeal shall lie to the High Court from any order of the Controller under this section; and the Controller may refer any application under this section to the High Court for decision, and the High Court shall dispose of any application so referred"

and (*d*) after sub-section (4) the following sub-section shall be inserted, namely:—

"(5) Nothing in this section shall be deemed to empower the Controller—

(*a*) to rectify the register of patents, or to decide any question relating to a patent, otherwise than for the purpose of correcting a mistake of fact apparent from a reference either to the patent itself or to some order of a competent authority made under any other provision of this Act, or

(*b*) to make any such order cancelling the registration of a design, as is provided for in section 48 A".

Amendment of Section 66, Act III of 1925.

28. Section 66 of the said Act shall be re-numbered as sub-section (1) of that section and to that sub-section as so re-numbered that following sub-section shall be added, namely:—

"(2) An appeal shall lie to the Government from an order of the Controller under this section."

29. In sub-sections (1) and (2) of section 67 of the said Act, for the word "two" the word "three" shall be substituted. Amendment of Section 67, Act III of 1925.

30. After section 70 of the said Act, the following section shall be inserted namely :— Insertion of new section 70A in Act III of 1925.

"70-A. *Security for costs.*—Where a person giving notice of any opposition under this Act or giving notice to the Court of Appeal from any decision of the Controller under this Act, neither resides nor carries on business in Mysore, the Controller or the Court, as the case may be, may require such person to give security for the payment of all costs incurred and likely to be incurred in the proceedings or appeal, as the case may be, and, in default of such security being given, may disallow the opposition or dismiss the appeal".

31. In section 75 of the said Act.— Amendment of Section 75, Act III of 1925.

(*a*) in sub-section (1) after the words "the other State" and before the words "shall be entitled" the words "or his legal representative or assignee" shall be inserted;

(*b*) in proviso (*a*) to sub-section (1) for the word "four" the word "six" shall be substituted.

The following schedule shall be substituted for the schedule to the said Act :— Substitution of a new schedule for the existing schedule to Act III of 1925.

The Schedule.

(See Section 54)

Fees.	Rs.
On application for a patent ...	10
Before sealing a patent ...	30
Before the expiration of the 4th year from the date of the patent	50
Before the expiration of the 5th year from the date of the patent	50
Before the expiration of the 6th year from the date of the patent	50
Before the expiration of the 7th year from the date of the patent	50
Before the expiration of the 8th year from the date of the patent	100
Before the expiration of the 9th year from the date of the patent	100
Before the expiration of the 10th year from the date of the patent	100

Fees.	Rs.
Before the expiration of the 11th year from the date of the patent	100
Before the expiration of the 12th year from the date of the patent	150
Before the expiration of the 13th year from the date of the patent	150
Before the expiration of the 14th year from the date of the patent	150
Before the expiration of the 15th year from the date of the patent	150
Provided that fees for two or more years may be paid in advance.	
On application to extend the term of a patent ...	50
Before the expiration of each year of the extended term of a patent or of a new patent granted under section 15	150
On application for registration of a design ...	3

Statement of objects and reasons.

The Mysore Inventions and Designs Act, III of 1925 was based on the Indian Patents and Designs Act, II of 1911. The Indian Patents and Designs Act, II of 1911 has been since amended in 1920, 1923, 1927 and 1930 to suit the changed conditions of the industrial development of the country. It is necessary to bring the Mysore Act into line with the British Indian Act. According to British Indian Act, the term of a Patent which was 14 years prior to 1930 has since been extended to 16 years. As a result, the renewal fees have been enhanced and the schedule of fees has been suitably amended. It is desirable to adopt the same scale of fees in Mysore also. Section 78A of the Indian Patents and Designs Act of 1911, as amended by Act VII of 1930, admits of reciprocal arrangements being made with Indian States and recognises the rights of the legal representatives and assignees of the British Indian applicants to claim priority. Section 75 of the Mysore Act relating to reciprocal arrangements has to be similarly amended.

The amendments proposed are with a view to bring the Mysore Act into conformity with the British Indian Act.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1755—*R. T.* 10-37-69, *dated Bangalore, 9th December* 1938.

The following draft amendment which the Government propose to make in virtue of the powers vested in them under Section 11 of the Mysore Motor Vehicles Act, 1928, to Rule 21 (4) of the Mysore Motor Vehicles Rules, 1924, as amended from time to time is published for the information of persons likely to be affected thereby and any suggestions or objections received in respect of the said draft on or before 22nd January 1939 will be considered by Government before issuing the rule finally.

Draft Amendment.

Substitute the words "the District Magistrate" for the words "duly constituted authority" in Sub-rule (4) of Rule 21 of the aforesaid rules:—

The Sub-rule after amendment will read as follows:—

(4) "No motor vehicle shall be driven on any foot-path or in any street or public place where the use of such is prohibited by the District Magistrate."

No. T. 1728—*R. T.* 7-38-8, *dated Bangalore, the 9th December* 1938.

In exercise of the powers conferred on them by Sections 4 and 33 of the Mysore Road Traffic and Taxes Act VI of 1935, the Government of His Highness the Maharaja are pleased to issue the following amendment to Rule 1 of the Rules issued with Notification No. P. 3418—Legis. 46-35, dated 25th November 1935, as amended from time to time, the draft amendment in the said behalf having been published with Notification No. T. 1565—R. T. 7-38-5, dated 25th November 1938 at page 351, Part IV of the *Mysore Gazette* dated 1st December 1938.

Amendment.

Under *Ex-officio* Members, for "one of the Members of Council" in Rule 1 of the abovesaid Rules, substitute "Secretary to Government, Electrical Department, and Advisor to Government in Railway matters", and omit the word "Chairman" in brackets.

Below the end of *Ex-officio* Members, add: "The Government may appoint one of the *Ex-officio* Members as Chairman of the Board."

By Order,

M. VENKATESA IYENGAR,

Secretary to Government,
General Department.

No. 1021—L. C. Bangalore, dated the 7th December 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill further to amend the Village Panchayet Act is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,
Mysore Legislative Council.

Bill further to amend the Village Panchayet Act.

Whereas it is expedient to further amend the Village Panchayet Act; It is hereby enacted as follows :—

After Clause (3) of Section 54 of the Village Panchayet Act, add the following as Clause (4) and renumber the existing Clauses (4) and (5) as (5) and (6) respectively :—

"(4) If, after enquiry made, the Deputy Commissioner so directs, the period of supersession with all the consequences aforesaid shall, from time to time, be continued by an order published as aforesaid until such date as may be fixed by the Deputy Commissioner for the re-establishment of the Village Panchayet."

Statement of objects and reasons.

At present there is no provision in the Village Panchayet Act for the extension of the period of supersession of village panchayets. It is, therefore, considered necessary to add a clause under Section 54 of the Act to provide for the continuance of the period of supersession, wherever necessary. This provision is similar to the one contained in Section 42 (4) of the Mysore Minor Municipalities Act, 1933. The present bill is intended to make the necessary provision in this respect.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1863—*R. T.* 38-38-2, *dated Bangalore,*
17*th December* 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Act VI of 1935 as amended by Act IX of 1936, the Government of His Highness the Maharaja are pleased to direct that in respect of the motor mail van bearing number Mys. 7540 running in Mysore City, only half the amount of Road Tax, ordinarily payable under the rules be collected during the term of the existing contract between the owner of the said vehicle and the Postal Department.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 5358—*J. S.* 14-38-6, *dated Bangalore,*
13*th December* 1938.

In exercise of the powers vested in them under Section 144 (2) of the Mysore Companies Act, XVIII of 1938, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following amendment to Rule 1 of the Rules for the grant of certificates to Auditors of Companies:

Any suggestions for additions, alterations or omissions, etc., to the proposed amendment, by persons or bodies likely to be affected by the rule, may be forwarded to the Secretary to the Government, Development Department, within one month from the date of publication of this Notification in the *Mysore Gazette.*

Any suggestions received after the due date will not receive consideration.

"1 (i) The Government may, upon the receipt of an application in this behalf from any person who is not below 21 years of age, and (*a*) who has satisfied a test recognised by the Government as sufficient for the purpose of the rule, or, (*b*) who has at least five years' practical training in auditing accounts, and who can satisfy the Government as to his competency, grant to any such person a certificate entitling the holder thereof to act as an Auditor of Companies.

"(ii) For the purpose of Clause (*a*) of the above sub-rule the followings hall be recognised as sufficient tests:

"(*a*) Tests prescribed in Part II of the Auditor's Certificates Rules of the Government of India issued with Notification (Registration of Accountants) No. 213 (ii) T. & E. (A. B.), dated 26th March 1932 as amended from time to time.

"(*b*) Membership of any of the following institutes and societies :—

1. The Institute of Chartered Accountants in England and Wales.
2. The Society of Incorporated Accountants and Auditors, London.
3. The Society of Accountants in Edinburgh.
4. The Institute of Accountants and Actuaries in Glasgow.
5. The Society of Accountants in Aberdeen, and
6. The Institute of Chartered Accountants in Ireland.

"(c) Holding the Government Diploma in Accountancy awarded on the recommendation of the Accountancy Diploma Board, Bombay."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Development Department
(in charge.)

No. D. 5538—G. S. 14-38-16, dated Bangalore, the 17th December 1938.

In exercise of the powers vested in Government under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918 as amended from time to time, the following amendment to clause 8 of rule 32 of the rules in respect of the filling up of vacancies on the Board of Directors of the Mysore Provincial Co-operative Apex Bank, Ltd., is published for general information.

Any suggestions or objections to the proposed rule may be forwarded to the Secretary to Government, Local Self-Government Department, within one month from the date of publication of the notification in the *Mysore Gazette* after which the draft rule will be taken up for consideration.

Any suggestion received after the due date will not receive consideration.

"Any vacancy occurring in the Office of the President or other Directors (excepting those nominated by Government under clause 3 above), by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the number of representatives of the preference shareholders and of urban and rural societies is in conformity with clause 4 above, the election of the President being subject to the approval of Government."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

No. 1030—*L. C., Bangalore, dated the* 10*th December* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Money Lenders' Bill is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

THE MONEY LENDERS' BILL.

Whereas it is expedient to regulate and control the transactions of money lending; it is hereby enacted as follows:—

CHAPTER I.

Preliminary.

Short Title.

1. (1) This Act may be called the Mysore Money Lenders' Act, 193 .

Application.

(2) The Government may, by notification in the official Gazette, apply all or any of the provisions of this Act to any local area or to any class of money lenders from such date as may be specified in the notification and may also by a like notification exclude from the operation of this Act any local area or exempt any money lender or class of money lenders or any class of loans from the operation of all or any of the provisions of this Act.

Definitions.

2. In this Act unless there is anything repugnant in the subject or context:—

(1) "Court" includes a Court acting in the exercise of insolvency jurisdiction;

(2) "Interest" includes any sum by whatsoever name called in excess of the principal paid or payable to a money lender in consideration of or otherwise in respect of a loan, but does not include any sum lawfully charged in accordance with the provisions of this Act or any other law for the time being in force by a money lender for or on account of costs, charges or expenses;

(3) "Loan" means an advance whether of money or in kind on interest made by a money lender and includes any transaction which in the opinion of the court is in substance a loan;

(4) "Money Lender" means an individual or an undivided Hindu family or an unincorporated body of individuals or body corporate incorporated under any law in Mysore or outside Mysore, or a body which stands to any such body corporate in the relation of a subsidiary body and includes assignees and the legal representative of the money lender, who or which—

(i) carries on the business of money lending in the State; or

(ii) has his or its principal place of such business in the State;

and includes a pawn-broker;

(5) "Money lending business" or "Business of money lending" means the business of advancing loans either solely or in common with any business;

(6) "Pawn-broker" means a person who carries on the business of taking goods and chattels in pawn for a loan;

(7) "Pawnor" means a person delivering an article for pawn to a pawn-broker;

(8) "Prescribed" means prescribed by rules made under this Act;

(9) "Principal" means in relation to a loan the amount actually lent to the debtor;

(10) "Register" means a register of money lenders maintained under section 4; and

(11) "Registrar" means the registrar of money lenders appointed under section 3.

(12) "Secured loan" means a loan for which the money lender holds a mortgage, charge or lein on the property of the debtor or any part thereof as a security for that loan;

(13) "Unsecured loan" means any loan other than a secured loan.

CHAPTER II.

Registration and Licensing of Money Lenders.

Appointment of Registrars.

3. The Government may appoint registrars of money lenders for the purpose of this Act and may define

the local areas within which each registrar shall exercise his powers and perform his duties.

Register of money lenders.

4. The registrar shall maintain a register of money lenders in such form as may be prescribed.

Application for registration.

5. Every money lender shall apply in writing to the registrar for the area in which the principal place of business of such money lender is situated or in which he intends to carry on the business of money lending, to be registered as a money lender. The application shall contain such particulars as may be prescribed. On receipt of such application the registrar shall register the name of the applicant in the register unless disqualified under section 19. Any such person ceasing to carry on the business of money lending may, on application to the said authority, get his name struck off from the register.

Duration of registration.

6. A registration of a money lender shall be valid for three years from the date of registration but may be renewed from time to time. If renewed it shall have effect for three years from the date of the renewal.

Licence.

7. Every money lender whose name has been registered and to whom this section is made applicable shall annually take out a licence from the registrar on payment of the prescribed fee in such form and subject to such conditions as may be prescribed for carrying on the business of money lending.

Licence to be annual.

8. A licence granted under section 7, shall, unless sooner cancelled, be in force for one year from the date on which it is granted.

CHAPTER III.

Regulation of Accounts.

Duty to keep accounts.

9. Every money lender shall in respect of every loan advanced by him after the commencement of this Act and every transaction made by him after the commencement of this Act relating to any loan advanced by him before the commencement of this Act, regularly record and maintain or cause to be recorded and maintained an account in such form, language, script and numerals as the Government may prescribe.

Receipt to be given.

10. Every money lender shall, at the time of payment, give to the debtor or his agent for the sum paid by him or on his behalf, a receipt duly signed and if necessary stamped.

Furnishing statement of account.

11. (1) Every money lender shall, on demand made in writing by the debtor at any time during the period when the loan or any part thereof has not been repaid, on payment of the prescribed fee, furnish to the debtor or if he so requires to any person mentioned by him in that behalf, a statement of account in the prescribed form and showing the amount which remains outstanding on account of the principal and of interest:

Provided that where a money lender has complied with the demand the debtor shall not make a further demand for a statement of account in respect of the same loan within a period of six months from the date of such compliance.

(2) A person to whom a statement of account has been furnished under sub-section (1) shall not be bound to acknowledge or deny its correctness and his failure to object to the correctness of the account shall not by itself be deemed to be an admission of the correctness of such account.

Duty of pawn-brokers to keep accounts.

12. (1) Every pawn-broker shall regularly record and maintain an account in which in addition to the particulars contained in the form prescribed under section 9, the following particulars are recorded, namely:—

(*a*) a full and detailed description of the article or of each of the articles taken in pawn,

(*b*) the name of the pawnor and where the pawnor is not the owner of the article or of any of the articles pawned, the name and address of the owner thereof.

(2) A true copy of the entries in such account shall be delivered by the pawn-broker to the pawnor at the time of the pawn on tender of the prescribed fee.

Inspection by Registrar

13. (1) The registrar may inspect or cause to be inspected by any officer subordinate to him the accounts required to be maintained by a money lender under this Act.

(2) The money lender shall be bound to produce all books of account for inspection.

(3) If from such an inspection it appears that such money lender has committed any offence under this Act, the registrar may cause proceedings to be instituted against him in the court having jurisdiction.

CHAPTER IV.

Provisions relating to suits in respect of loans.

The maximum rates of interest to be decreed.

14. Notwithstanding anything contained in any law for the time being in force, no court shall in any suit brought in respect of a loan advanced after the commencement of this Act, pass a decree for interest at rates exceeding 9 per centum per annum in the case of a secured loan and 12 per centum per annum in the case of an unsecured loan.

Maximum rate of compound interest.

15. No money lender shall recover by suit interest of any kind at a rate exceeding 6 per centum per annum in respect of any loan made after the commencement of this Act under a contract which provides for the payment of compound interest.

What is excessive interest under Usurious Loans Act.

16. Where the interest charged is in excess of the rates prescribed as maximum in sections 14 and 15, the court shall presume for the purpose of section 3 of the Usurious Loans Act that the interest charged is excessive and that the transaction was substantially unfair.

Arrears of interest not to exceed principal.

17. No court shall, in respect of a loan advanced before or after the commencement of this Act, decree on account of arrears of interest, a sum greater than the principal of the original loan.

Penalty for non-compliance with section 9 or section 12.

18. Notwithstanding anything contained in any enactment for the time being in force, (*a*) if in any suit or proceeding relating to a loan the court finds that the provisions of section 9 or section 12 have not been complied with by the money lender it may, if the plaintiff's claim is established, in whole or in part, disallow the whole or any portion of the interest found due, as may seem reasonable to it in the circumstances of the case and may disallow costs;

(*b*) if the money lender to whom a demand has been made under section 11 fails without reasonable excuse to comply therewith within one month after the demand has been made, the court shall disallow interest for the period of default.

CHAPTER V.

Penalties.

Court's power to suspend or cancel licence.

19. (1) Where in any suit brought in respect of a loan by a money lender, the court is of opinion that the

money lender has been guilty of fraud or of any contravention of the provisions of this Act or of any rule made thereunder or is otherwise unfit to carry on the business of money lending, the court may order that the licence held by such money lender or his registration be suspended for such time as the court may think fit or cancelled and may also declare such money lender disqualified from obtaining a licence or being registered under this Act either permanently or for such period as it thinks fit.

(2) The court shall cause the particulars of any order made under this section to be endorsed on the licence held by the money lender against whom such order is made and shall cause copy of its order to be sent to the registrar by whom the licence was granted or the registration was made for the purpose of entering such particulars in the Register.

(3) Every holder of a licence shall, on being called upon by the court to do so, produce the licence within such time as may be directed by the court.

(4) Any person whose licence or registration has been cancelled or suspended in accordance with the provisions of this section shall, during the period for which such order of cancellation has effect or during the period of suspension, as the case may be, be disqualified from being registered or obtaining a licence.

Penalty for contravention of provisions.

20. Whoever makes default in complying with or acts in contravention of any provision of this Act shall, if no specific penalty has been provided in this Act, be punishable for the first offence with fine which may extend to Rs. 200 and for a second or subsequent offence with imprisonment of either description for a term not exceeding one month or with fine which may extend to Rs. 500 or with both and shall also be liable to have his registration and licence cancelled.

CHAPTER VI.

Miscellaneous.

Power to make rules.

21. (1) The Government may make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(i) the form of the register mentioned in section 4;

(ii) the form of the application mentioned in section 5 and the particulars to be contained therein;

(iii) the form and conditions of the licence mentioned in section 7, the fee therefor and the manner of payment of the fees;

(iv) the form, language, script and numerals to be used in the accounts required to be kept under section 9;

(v) the form of the statement of account to be furnished under section 11 and the details to be included therein and the fee to be paid for such statement; and

(vi) the fee to be paid for a copy of the entries in a pawn-broker's account to be furnished under section 12.

22. Nothing contained in this Act shall affect the provisions of the Mysore Agriculturists Relief Act, 1928 or the powers of a court under the Usurious Loans Act, 1923, except to the extent specified in section 16.

23. The Government may, by notification in the official Gazette, apply all or any of the provisions of Chapters III and IV to the loan transactions of creditors other than money lenders.

Statement of objects and reasons.

The question of introducing legislation for the control of money lending business in order to protect ignorant debtors against fraud and extortion has been under consideration of Government for some time past. The desirability of legislation in the matter was also being urged in the Representative Assembly and Legislative Council. Some leading non-official gentlemen were consulted by Government in 1933 with a view to decide upon the desirability and the form of the legislation. They were generally in favour of legislation and their suggestions have been adopted to the extent they were found suitable. The Royal Commission on Agriculture, the Royal Commission on Labour and the Banking Enquiry Committee

have all recommended legislation for control of money lending business. Certain of the British Indian Provinces have already taken or are taking action in the matter.

The existing Acts affecting money lending, *viz.*, the Usurious Loans Act and the Agriculturists Relief Act are not sufficient to give relief to the debtors. They touch on certain portions of the law relating to money lending and the latter affects only a certain class of debtors *viz.*, agriculturists. The present Bill will apply to money lending in general. The business of money lending as carried on by certain classes of money lenders, is defective. Regular accounts are not ordinarily kept and receipts are not some times given for money paid by the debtors. The interest charged is also high. It is therefore proposed to introduce a bill for the control of the business of money lending in the interest of many ignorant and illiterate debtors. A reasonable maximum rate of interest that may be allowed by courts is fixed. Provision is made for the safe conduct of the business by requiring proper maintenance of accounts and giving opportunities to the debtors to ascertain periodically the state of the accounts. Provision is also made for registration and licensing of money lenders. At the same time care is taken to see that the Bill does not unnecessarily harass money lenders and restrict facilities for credit.

Penalties for non-compliance of the provisions of the Bill are not hard but reasonable and just sufficient to meet the requirements of the case.

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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. T. 1863—*R. T.* 38-38-2, *dated Bangalore,*
17*th December* 1938.

In exercise of the powers conferred on them by Section 13 of the Mysore Road Traffic and Taxes Act VI of 1935 as amended by Act IX of 1936, the Government of His Highness the Maharaja are pleased to direct that in respect of the motor mail van bearing number Mys. 7540 running in Mysore City, only half the amount of Road Tax, ordinarily payable under the rules be collected during the term of the existing contract between the owner of the said vehicle and the Postal Department.

By Order,

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

No. D. 5358—*J. S.* 14-38-6, *dated Bangalore,* 13*th December* 1938.

In exercise of the powers vested in them under Section 144 (2) of the Mysore Companies Act, XVIII of 1938, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following amendment to Rule 1 of the Rules for the grant of certificates to Auditors of Companies:

Any suggestions for additions, alterations or omissions, etc., to the proposed amendment, by persons or bodies likely to be affected by the rule, may be forwarded to the Secretary to the Government, Development Department, within one month from the date of publication of this Notification in the *Mysore Gazette.*

Any suggestions received after the due date will not receive consideration.

"1 (i) The Government may, upon the receipt of an application in this behalf from any person who is not below 21 years of age, and (*a*) who has satisfied a test recognised by the Government as sufficient for the purpose of the rule, or, (*b*) who has at least five years' practical training in auditing accounts, and who can satisfy the Government as to his competency, grant to any such person a certificate entitling the holder thereof to act as an Auditor of Companies.

"(ii) For the purpose of Clause (*a*) of the above sub-rule the followings hall be recognised as sufficient tests:

"(*a*) Tests prescribed in Part II of the Auditor's Certificates Rules of the Government of India issued with Notification (Registration of Accountants) No. 213 (ii) T. & E. (A. B.), dated 26th March 1932 as amended from time to time.

"(*b*) Membership of any of the following institutes and societies :—

1. The Institute of Chartered Accountants in England and Wales.
2. The Society of Incorporated Accountants and Auditors, London.
3. The Society of Accountants in Edinburgh.
4. The Institute of Accountants and Actuaries in Glasgow.
5. The Society of Accountants in Aberdeen, and
6. The Institute of Chartered Accountants in Ireland.

"(c) Holding the Government Diploma in Accountancy awarded on the recommendation of the Accountancy Diploma Board, Bombay."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Development Department
(in charge.)

No. D. 5538—C. S. 14-38-16, dated Bangalore, the 17th December 1938.

In exercise of the powers vested in Government under Section 44 (2) (g) of the Mysore Co-operative Societies Act VII of 1918 as amended from time to time, the following amendment to clause 8 of rule 32 of the rules in respect of the filling up of vacancies on the Board of Directors of the Mysore Provincial Co-operative Apex Bank, Ltd., is published for general information.

Any suggestions or objections to the proposed rule may be forwarded to the Secretary to Government, Local Self-Government Department, within one month from the date of publication of the notification in the *Mysore Gazette* after which the draft rule will be taken up for consideration.

Any suggestion received after the due date will not receive consideration.

"Any vacancy occurring in the Office of the President or other Directors (excepting those nominated by Government under clause 3 above), by death, resignation or any other cause shall be filled up for the unexpired term of their office by the remaining members of the Board in such a way that the number of representatives of the preference shareholders and of urban and rural societies is in conformity with clause 4 above, the election of the President being subject to the approval of Government."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,
Local Self-Government Department.

No. 1030—*L. C., Bangalore, dated the* 10*th December* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Money Lenders' Bill is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

THE MONEY LENDERS' BILL.

Whereas it is expedient to regulate and control the transactions of money lending; it is hereby enacted as follows:—

CHAPTER I.

Preliminary.

Short Title.

1. (1) This Act may be called the Mysore Money Lenders' Act, 193 .

Application.

(2) The Government may, by notification in the official Gazette, apply all or any of the provisions of this Act to any local area or to any class of money lenders from such date as may be specified in the notification and may also by a like notification exclude from the operation of this Act any local area or exempt any money lender or class of money lenders or any class of loans from the operation of all or any of the provisions of this Act.

Definitions.

2. In this Act unless there is anything repugnant in the subject or context:—

(1) "Court" includes a Court acting in the exercise of insolvency jurisdiction;

(2) "Interest" includes any sum by whatsoever name called in excess of the principal paid or payable to a money lender in consideration of or otherwise in respect of a loan, but does not include any sum lawfully charged in accordance with the provisions of this Act or any other law for the time being in force by a money lender for or on account of costs, charges or expenses;

(3) "Loan" means an advance whether of money or in kind on interest made by a money lender and includes any transaction which in the opinion of the court is in substance a loan;

(4) "Money Lender" means an individual or an undivided Hindu family or an unincorporated body of individuals or body corporate incorporated under any law in Mysore or outside Mysore, or a body which stands to any such body corporate in the relation of a subsidiary body and includes assignees and the legal representative of the money lender, who or which—

(i) carries on the business of money lending in the State; or

(ii) has his or its principal place of such business in the State;

and includes a pawn-broker;

(5) "Money lending business" or "Business of money lending" means the business of advancing loans either solely or in common with any business;

(6) "Pawn-broker" means a person who carries on the business of taking goods and chattels in pawn for a loan;

(7) "Pawnor" means a person delivering an article for pawn to a pawn-broker;

(8) "Prescribed" means prescribed by rules made under this Act;

(9) "Principal" means in relation to a loan the amount actually lent to the debtor;

(10) "Register" means a register of money lenders maintained under section 4; and

(11) "Registrar" means the registrar of money lenders appointed under section 3.

(12) "Secured loan" means a loan for which the money lender holds a mortgage, charge or lein on the property of the debtor or any part thereof as a security for that loan;

(13) "Unsecured loan" means any loan other than a secured loan.

CHAPTER II.

Registration and Licensing of Money Lenders.

Appointment of Registrars.

3. The Government may appoint registrars of money lenders for the purpose of this Act and may define

the local areas within which each registrar shall exercise his powers and perform his duties.

Register of money lenders.

4. The registrar shall maintain a register of money lenders in such form as may be prescribed.

Application for registration.

5. Every money lender shall apply in writing to the registrar for the area in which the principal place of business of such money lender is situated or in which he intends to carry on the business of money lending, to be registered as a money lender. The application shall contain such particulars as may be prescribed. On receipt of such application the registrar shall register the name of the applicant in the register unless disqualified under section 19. Any such person ceasing to carry on the business of money lending may, on application to the said authority, get his name struck off from the register.

Duration of registration.

6. A registration of a money lender shall be valid for three years from the date of registration but may be renewed from time to time. If renewed it shall have effect for three years from the date of the renewal.

Licence.

7. Every money lender whose name has been registered and to whom this section is made applicable shall annually take out a licence from the registrar on payment of the prescribed fee in such form and subject to such conditions as may be prescribed for carrying on the business of money lending.

Licence to be annual.

8. A licence granted under section 7, shall, unless sooner cancelled, be in force for one year from the date on which it is granted.

CHAPTER III.

Regulation of Accounts.

Duty to keep accounts.

9. Every money lender shall in respect of every loan advanced by him after the commencement of this Act and every transaction made by him after the commencement of this Act relating to any loan advanced by him before the commencement of this Act, regularly record and maintain or cause to be recorded and maintained an account in such form, language, script and numerals as the Government may prescribe.

Receipt to be given.

10. Every money lender shall, at the time of payment, give to the debtor or his agent for the sum paid by him or on his behalf, a receipt duly signed and if necessary stamped.

Furnishing statement of account.

11. (1) Every money lender shall, on demand made in writing by the debtor at any time during the period when the loan or any part thereof has not been repaid, on payment of the prescribed fee, furnish to the debtor or if he so requires to any person mentioned by him in that behalf, a statement of account in the prescribed form and showing the amount which remains outstanding on account of the principal and of interest:

Provided that where a money lender has complied with the demand the debtor shall not make a further demand for a statement of account in respect of the same loan within a period of six months from the date of such compliance.

(2) A person to whom a statement of account has been furnished under sub-section (1) shall not be bound to acknowledge or deny its correctness and his failure to object to the correctness of the account shall not by itself be deemed to be an admission of the correctness of such account.

Duty of pawn-brokers to keep accounts.

12. (1) Every pawn-broker shall regularly record and maintain an account in which in addition to the particulars contained in the form prescribed under section 9, the following particulars are recorded, namely:—

(*a*) a full and detailed description of the article or of each of the articles taken in pawn,

(*b*) the name of the pawnor and where the pawnor is not the owner of the article or of any of the articles pawned, the name and address of the owner thereof.

(2) A true copy of the entries in such account shall be delivered by the pawn-broker to the pawnor at the time of the pawn on tender of the prescribed fee.

Inspection by Registrar

13. (1) The registrar may inspect or cause to be inspected by any officer subordinate to him the accounts required to be maintained by a money lender under this Act.

(2) The money lender shall be bound to produce all books of account for inspection.

(3) If from such an inspection it appears that such money lender has committed any offence under this Act, the registrar may cause proceedings to be instituted against him in the court having jurisdiction.

CHAPTER IV.

Provisions relating to suits in respect of loans.

The maximum rates of interest to be decreed.

14. Notwithstanding anything contained in any law for the time being in force, no court shall in any suit brought in respect of a loan advanced after the commencement of this Act, pass a decree for interest at rates exceeding 9 per centum per annum in the case of a secured loan and 12 per centum per annum in the case of an unsecured loan.

Maximum rate of compound interest.

15. No money lender shall recover by suit interest of any kind at a rate exceeding 6 per centum per annum in respect of any loan made after the commencement of this Act under a contract which provides for the payment of compound interest.

What is excessive interest under Usurious Loans Act.

16. Where the interest charged is in excess of the rates prescribed as maximum in sections 14 and 15, the court shall presume for the purpose of section 3 of the Usurious Loans Act that the interest charged is excessive and that the transaction was substantially unfair.

Arrears of interest not to exceed principal.

17. No court shall, in respect of a loan advanced before or after the commencement of this Act, decree on account of arrears of interest, a sum greater than the principal of the original loan.

Penalty for non-compliance with section 9 or section 12.

18. Notwithstanding anything contained in any enactment for the time being in force, (*a*) if in any suit or proceeding relating to a loan the court finds that the provisions of section 9 or section 12 have not been complied with by the money lender it may, if the plaintiff's claim is established, in whole or in part, disallow the whole or any portion of the interest found due, as may seem reasonable to it in the circumstances of the case and may disallow costs;

(*b*) if the money lender to whom a demand has been made under section 11 fails without reasonable excuse to comply therewith within one month after the demand has been made, the court shall disallow interest for the period of default.

CHAPTER V.

Penalties.

Court's power to suspend or cancel licence.

19. (1) Where in any suit brought in respect of a loan by a money lender, the court is of opinion that the

money lender has been guilty of fraud or of any contravention of the provisions of this Act or of any rule made thereunder or is otherwise unfit to carry on the business of money lending, the court may order that the licence held by such money lender or his registration be suspended for such time as the court may think fit or cancelled and may also declare such money lender disqualified from obtaining a licence or being registered under this Act either permanently or for such period as it thinks fit.

(2) The court shall cause the particulars of any order made under this section to be endorsed on the licence held by the money lender against whom such order is made and shall cause copy of its order to be sent to the registrar by whom the licence was granted or the registration was made for the purpose of entering such particulars in the Register.

(3) Every holder of a licence shall, on being called upon by the court to do so, produce the licence within such time as may be directed by the court.

(4) Any person whose licence or registration has been cancelled or suspended in accordance with the provisions of this section shall, during the period for which such order of cancellation has effect or during the period of suspension, as the case may be, be disqualified from being registered or obtaining a licence.

Penalty for contravention of provisions.

20. Whoever makes default in complying with or acts in contravention of any provision of this Act shall, if no specific penalty has been provided in this Act, be punishable for the first offence with fine which may extend to Rs. 200 and for a second or subsequent offence with imprisonment of either description for a term not exceeding one month or with fine which may extend to Rs. 500 or with both and shall also be liable to have his registration and licence cancelled.

CHAPTER VI.

Miscellaneous.

Power to make rules.

21. (1) The Government may make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(i) the form of the register mentioned in section 4;

(ii) the form of the application mentioned in section 5 and the particulars to be contained therein;

(iii) the form and conditions of the licence mentioned in section 7, the fee therefor and the manner of payment of the fees;

(iv) the form, language, script and numerals to be used in the accounts required to be kept under section 9;

(v) the form of the statement of account to be furnished under section 11 and the details to be included therein and the fee to be paid for such statement; and

(vi) the fee to be paid for a copy of the entries in a pawn-broker's account to be furnished under section 12.

22. Nothing contained in this Act shall affect the provisions of the Mysore Agriculturists Relief Act, 1928 or the powers of a court under the Usurious Loans Act, 1923, except to the extent specified in section 16.

23. The Government may, by notification in the official Gazette, apply all or any of the provisions of Chapters III and IV to the loan transactions of creditors other than money lenders.

Statement of objects and reasons.

The question of introducing legislation for the control of money lending business in order to protect ignorant debtors against fraud and extortion has been under consideration of Government for some time past. The desirability of legislation in the matter was also being urged in the Representative Assembly and Legislative Council. Some leading non-official gentlemen were consulted by Government in 1933 with a view to decide upon the desirability and the form of the legislation. They were generally in favour of legislation and their suggestions have been adopted to the extent they were found suitable. The Royal Commission on Agriculture, the Royal Commission on Labour and the Banking Enquiry Committee

have all recommended legislation for control of money lending business. Certain of the British Indian Provinces have already taken or are taking action in the matter.

The existing Acts affecting money lending, *viz.*, the Usurious Loans Act and the Agriculturists Relief Act are not sufficient to give relief to the debtors. They touch on certain portions of the law relating to money lending and the latter affects only a certain class of debtors *viz.*, agriculturists. The present Bill will apply to money lending in general. The business of money lending as carried on by certain classes of money lenders, is defective. Regular accounts are not ordinarily kept and receipts are not some times given for money paid by the debtors. The interest charged is also high. It is therefore proposed to introduce a bill for the control of the business of money lending in the interest of many ignorant and illiterate debtors. A reasonable maximum rate of interest that may be allowed by courts is fixed. Provision is made for the safe conduct of the business by requiring proper maintenance of accounts and giving opportunities to the debtors to ascertain periodically the state of the accounts. Provision is also made for registration and licensing of money lenders. At the same time care is taken to see that the Bill does not unnecessarily harass money lenders and restrict facilities for credit.

Penalties for non-compliance of the provisions of the Bill are not hard but reasonable and just sufficient to meet the requirements of the case.

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